

A bill for an act

relating to economic development and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; amending certain unemployment insurance provisions; providing for accounts, assessments, and fees; changing codes and licensing provisions; amending Iron Range resources provisions; regulating debt management and debt settlement services; increasing certain occupation license fees; making technical changes; providing penalties; appropriating money; amending Minnesota Statutes 2008, sections 15.75, subdivision 5; 16B.54, subdivision 2; 45.011, subdivision 1; 45.027, subdivision 1; 46.04, subdivision 1; 46.05; 46.131, subdivision 2; 84.94, subdivision 3; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401, subdivision 2; 116J.424; 116J.435, subdivisions 2, 3; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5; 116L.871, subdivision 1; 116L.96; 123A.08, subdivision 1; 124D.49, subdivision 3; 129D.13, subdivisions 1, 2, 3; 129D.14, subdivisions 4, 5, 6; 129D.155; 154.44, subdivision 1; 160.16, by adding a subdivision; 160.276, subdivision 8; 241.27, subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8; 256J.626, subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions 2, 17, by adding subdivisions; 268.042, subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067; 268.069, subdivision 1; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 4, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4; 268.115, subdivision 5; 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision 1; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.2214, by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 325E.115, subdivision 1; 325E.1151, subdivisions 1, 3, 4; 325E.311, subdivision 6; 326B.33, subdivisions 13, 19; 326B.46, subdivision 4; 326B.475, subdivisions 4, 7; 326B.49, subdivision 1; 326B.56, subdivision 4; 326B.58; 326B.815, subdivision 1; 326B.821, subdivision 2; 326B.86, subdivision 1; 326B.885, subdivision 2; 326B.89, subdivisions 3, 16; 326B.94, subdivision 4; 326B.972; 326B.986, subdivisions 2, 5, 8; 327B.04, subdivisions 7, 8, by adding a subdivision; 327C.03, by adding a subdivision; 327C.095, subdivision 12; 332A.02, subdivisions 5, 8, 9, 10, 13, by adding subdivisions; 332A.04, subdivision 6; 332A.08; 332A.10; 332A.11,

subdivision 2; 332A.14; 469.169, subdivision 3; Laws 1998, chapter 404, section 23, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 1; 116J; 137; 161; 268; 298; 326B; proposing coding for new law as Minnesota Statutes, chapter 332B; repealing Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65; 129D.13, subdivision 4; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086; Minnesota Rules, part 1350.8300.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
ECONOMIC DEVELOPMENT AND HOUSING

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	<u>154,697,000</u>	\$	<u>153,031,000</u>	\$	<u>307,728,000</u>
<u>Workforce Development</u>		<u>17,007,000</u>		<u>17,257,000</u>		<u>34,264,000</u>
<u>Remediation</u>		<u>700,000</u>		<u>700,000</u>		<u>1,400,000</u>
<u>Petroleum Tank Release Clean-Up Fund</u>		<u>1,084,000</u>		<u>1,084,000</u>		<u>2,168,000</u>
<u>Workers' Compensation</u>		<u>23,325,000</u>		<u>23,325,000</u>		<u>46,650,000</u>
<u>Total</u>	\$	<u>196,813,000</u>	\$	<u>195,397,000</u>	\$	<u>392,210,000</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

3.1 **Sec. 3. EMPLOYMENT AND ECONOMIC**
3.2 **DEVELOPMENT**

3.3	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>59,489,000</u>	<u>\$</u>	<u>58,439,000</u>
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3.4 Appropriations by Fund

3.5		<u>2010</u>	<u>2011</u>
3.6	<u>General</u>	<u>42,782,000</u>	<u>41,732,000</u>
3.7	<u>Workforce</u>		
3.8	<u>Development</u>	<u>16,007,000</u>	<u>16,007,000</u>
3.9	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

3.10 The amounts that may be spent for each
3.11 purpose are specified in the following
3.12 subdivisions.

3.13	<u>Subd. 2. Business and Community</u>		
3.14	<u>Development</u>	10,251,000	9,501,000

3.15 Appropriations by Fund

3.16	<u>General</u>	<u>9,551,000</u>	<u>8,801,000</u>
3.17	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

3.18 (a) \$700,000 the first year and \$700,000 the
3.19 second year are from the remediation fund for
3.20 contaminated site cleanup and development
3.21 grants under Minnesota Statutes, section
3.22 116J.554. This appropriation is available
3.23 until expended.

(b) \$175,000 each year is for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten

4.1 percent the number of women in occupations
4.2 where women currently comprise less than 25
4.3 percent of the workforce. The appropriation
4.4 is available until expended.

4.5 (c) \$200,000 the first year and \$200,000
4.6 the second year are for a grant to the
4.7 Metropolitan Economic Development
4.8 Association for continuing minority business
4.9 development programs in the metropolitan
4.10 area.

4.11 (d) \$500,000 the first year and \$500,000 the
4.12 second year are for a grant to the BioBusiness
4.13 Alliance of Minnesota for bioscience
4.14 business development programs to promote
4.15 and position the state as a global leader in
4.16 bioscience business activities.

4.17 (e) Of the money available in the Minnesota
4.18 Investment Fund, Minnesota Statutes, section
4.19 116J.8731, to the commissioner of the
4.20 Department of Employment and Economic
4.21 Development, \$3,000,000 is appropriated
4.22 in fiscal year 2010 for a loan to an aircraft
4.23 manufacturing and assembly company,
4.24 associated with the aerospace industry, for
4.25 equipment utilized to establish an aircraft
4.26 completion center at the Minneapolis-St.
4.27 Paul International Airport. The finishing
4.28 center must use the state's vocational training
4.29 programs designed specifically for aircraft
4.30 maintenance training, and to the extent
4.31 possible, work to recruit employees from
4.32 these programs. The center must create at
4.33 least 200 new manufacturing jobs within 24
4.34 months of receiving the loan, and create not

5.1 less than 500 new manufacturing jobs over a
5.2 five-year period in Minnesota.

5.3 This loan is not subject to loan limitations
5.4 under Minnesota Statutes, section 116J.8731,
5.5 subdivision 5. Any match requirements
5.6 under Minnesota Statutes, section 116J.8731,
5.7 subdivision 3, may be made from current
5.8 resources. This is a onetime appropriation
5.9 and is effective the day following final
5.10 enactment.

5.11 (f) \$79,000 the first year and \$79,000 the
5.12 second year are for grants to the Minnesota
5.13 Inventors Congress. Of this amount, \$10,000
5.14 each year is for the Student Inventors
5.15 Congress.

5.16 (g) \$375,000 the first year and \$375,000 the
5.17 second year are for the Office of Science and
5.18 Technology. These amounts are added to the
5.19 agency's budget base.

5.20 (h) \$500,000 the first year and \$500,000 the
5.21 second year are for a grant to Enterprise
5.22 Minnesota, Inc., for the small business
5.23 growth acceleration program under
5.24 Minnesota Statutes, section 116O.115. These
5.25 amounts are added to the agency's budget
5.26 base.

5.27 (i) \$250,000 the first year and \$250,000
5.28 the second year are for a grant to the Rural
5.29 Policy and Development Center at St. Peter,
5.30 Minnesota, under Minnesota Statutes, section
5.31 116J.421.

5.32 (j) \$350,000 the first year is for a grant
5.33 to the city of Hugo to be used for relief
5.34 from damages caused by the May 25, 2008,
5.35 tornado. This is a onetime appropriation and

is available until expended. The city of Hugo
may reimburse Oneka Elementary School up
to \$7,800 for costs attributable to the tornado.

(k) \$300,000 the first year is for a grant
to Minnesota State University, Mankato,
for the International Renewable Energy
Technical Institute (IRETI) to be located
at the university. The institute is a
public and private partnership to support
applied research in renewable energy and
energy efficiency, to aid in the transfer of
technology from Sweden to Minnesota, and
to support technology commercialization
from companies located in Minnesota and
throughout the world. This is a onetime
appropriation.

(l) \$100,000 is for the commissioner of
employment and economic development to
develop the program in article 8, section
50, to make grants for up to five projects
statewide available to local government units
to mitigate the impacts of transportation
construction on local small business. This
is a onetime appropriation and is available
until expended.

<u>Subd. 3. Workforce Development</u>	<u>46,812,000</u>	<u>46,512,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>30,805,000</u>	<u>30,505,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>16,007,000</u>	<u>16,007,000</u>

(a) \$4,562,000 the first year and \$4,562,000
the second year are for the Minnesota job
skills partnership program under Minnesota
Statutes, sections 116L.01 to 116L.17. If the
appropriation for either year is insufficient,
the appropriation for the other year is

7.1 available for it. This appropriation is

7.2 available until expended.

7.3 (b) \$8,800,000 the first year and \$8,800,000

7.4 the second year are for the state's vocational

7.5 rehabilitation program under Minnesota

7.6 Statutes, chapter 268A.

7.7 (c) \$5,986,000 the first year and \$5,986,000

7.8 the second year are for the state services for

7.9 the blind activities.

7.10 (d) \$2,380,000 the first year and \$2,380,000

7.11 the second year are for grants to centers for

7.12 independent living under Minnesota Statutes,

7.13 section 268A.11.

7.14 (e) \$455,000 the first year and \$455,000 the

7.15 second year are for a grant under Minnesota

7.16 Statutes, section 116J.8747, to Twin Cities

7.17 RISE! to provide training to hard-to-train

7.18 individuals.

7.19 (f) \$250,000 the first year and \$250,000

7.20 the second year are for a grant to Northern

7.21 Connections in Perham to implement and

7.22 operate a pilot workforce program that

7.23 provides one-stop supportive services

7.24 to individuals as they transition into the

7.25 workforce.

7.26 (g) \$375,000 the first year and \$375,000

7.27 the second year are for a grant to Ramsey

7.28 County Workforce Investment Board for the

7.29 development of the building lives program.

7.30 This appropriation is added to the agency's

7.31 budget base.

7.32 (h) \$150,000 the first year and \$150,000 the

7.33 second year are for a grant to Advocating

7.34 Change Together for training, technical

8.1 assistance, and resource materials for persons
8.2 with developmental and mental illness
8.3 disabilities.

8.4 (i) \$5,627,000 each year is from the general
8.5 fund and \$6,830,000 each year is from the
8.6 workforce development fund for extended
8.7 employment services for persons with severe
8.8 disabilities or related conditions under
8.9 Minnesota Statutes, section 268A.15. Of
8.10 the general fund appropriation, \$125,000
8.11 each year is to supplement funds paid for
8.12 wage incentives for the community support
8.13 fund established in Minnesota Rules, part
8.14 3300.2045.

8.15 (j) \$250,000 the first year and \$100,000
8.16 the second year are for grants to Minnesota
8.17 Diversified Industries, Inc., to provide
8.18 progressive development and employment
8.19 opportunities for people with disabilities.

8.20 This appropriation is available in either
8.21 year of the biennium. The budget base
8.22 for Minnesota Diversified Industries, Inc.,
8.23 is \$175,000 each year in the 2012-2013
8.24 biennium.

8.25 (k) \$1,600,000 the first year and \$1,600,000
8.26 the second year are for grants to programs
8.27 that provide employment support services to
8.28 persons with mental illness under Minnesota
8.29 Statutes, sections 268A.13 and 268A.14.

8.30 Up to \$77,000 each year may be used for
8.31 administrative expenses.

8.32 (l) \$75,000 the first year and \$75,000 the
8.33 second year are for a grant to MN Works!, a
8.34 nonprofit organization that works on behalf
8.35 of all licensed vendors in order to increase

9.1 employment opportunities for persons
9.2 with disabilities. These appropriations are
9.3 available in either year of the biennium and
9.4 are added to the agency's budget base.

9.5 (m) \$145,000 each year is from the general
9.6 fund and \$163,000 each year is from
9.7 the workforce development fund for a
9.8 grant under Minnesota Statutes, section
9.9 268A.03, to Rise, Inc. for the Minnesota
9.10 Employment Center for People Who are Deaf
9.11 or Hard-of-Hearing. Money not expended
9.12 the first year is available the second year.

9.13 (n) \$350,000 the first year and \$350,000
9.14 the second year are from the workforce
9.15 development fund for a grant to Lifetrack
9.16 Resources for its immigrant and refugee
9.17 collaborative program, including those
9.18 related to job-seeking skills and workplace
9.19 orientation, intensive job development,
9.20 functional work English, and on-site job
9.21 coaching.

9.22 (o) \$3,255,000 the first year and \$3,255,000
9.23 the second year are from the workforce
9.24 development fund for the Minnesota youth
9.25 program under Minnesota Statutes, sections
9.26 116L.56 and 116L.561.

9.27 (p) \$1,250,000 the first year and \$1,250,000
9.28 the second year are from the workforce
9.29 development fund for the Opportunities
9.30 Industrialization Center programs.

9.31 (q) \$1,200,000 the first year and \$1,200,000
9.32 the second year are from the workforce
9.33 development fund for grants for the
9.34 Minneapolis summer youth employment
9.35 program. The grants shall be used to fund

10.1 up to 500 jobs for youth each summer. Of
10.2 this appropriation, \$300,000 each year is for
10.3 a grant to the learn-to-earn summer youth
10.4 employment program. The commissioner
10.5 shall establish criteria for awarding the
10.6 grants. This appropriation is available in
10.7 either year of the biennium and is available
10.8 until spent.

10.9 (r) \$1,000,000 each year from the workforce
10.10 development fund is for a grant to the
10.11 Minnesota Alliance of Boys and Girls
10.12 Clubs to administer a statewide project
10.13 of youth jobs skills development. This
10.14 project, which may have career guidance
10.15 components, including health and life skills,
10.16 is to encourage, train, and assist youth in
10.17 job-seeking skills, workplace orientation,
10.18 and job-site knowledge through coaching.
10.19 This grant requires a 25 percent match from
10.20 nonstate resources.

10.21 (s) \$558,000 the first year and \$558,000
10.22 the second year are from the workforce
10.23 development fund for grants to fund summer
10.24 youth employment in St. Paul. The grants
10.25 shall be used to fund up to 500 jobs for
10.26 youth each summer. The commissioner shall
10.27 establish criteria for awarding the grants.
10.28 This appropriation is available in either year
10.29 of the biennium and is available until spent.

10.30 (t) \$1,075,000 the first year and \$1,075,000
10.31 the second year are from the workforce
10.32 development fund for the youthbuild
10.33 program under Minnesota Statutes, sections
10.34 116L.361 to 116L.366.

11.1 (u) \$326,000 the first year and \$326,000
11.2 the second year are from the workforce
11.3 development fund for grants to provide
11.4 interpreters for a regional transition program
11.5 that specializes in providing culturally
11.6 appropriate transition services leading to
11.7 employment for deaf, hard-of-hearing, and
11.8 deaf-blind students.

11.9 (v) \$150,000 in the first year is for a grant
11.10 to Lutheran Social Service of Minnesota to
11.11 increase capacity statewide for budget and
11.12 debt counseling, debt management planning,
11.13 and other debt management services. This
11.14 is a onetime appropriation and is available
11.15 until expended.

11.16 (w) The first \$1,450,000 deposited in each
11.17 year of the biennium into the contingent
11.18 account created under Minnesota Statutes,
11.19 section 268.199, must be transferred
11.20 before the closing of each fiscal year to
11.21 the workforce development fund created
11.22 under Minnesota Statutes, section 116L.20.
11.23 Deposits in excess of \$1,450,000 must be
11.24 transferred before the closing of each fiscal
11.25 year to the general fund.

11.26	<u>Subd. 4. State-Funded Administration</u>	<u>2,426,000</u>	<u>2,426,000</u>
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11.27 The transfer of funds to the governor's office
11.28 for the Washington, D.C. office function is
11.29 \$20,000 each year.

11.30	Sec. 4. <u>PUBLIC FACILITIES AUTHORITY</u>	<u>\$ 93,000</u>	<u>\$ 93,000</u>
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11.31 For the small community wastewater
11.32 treatment program under Minnesota Statutes,
11.33 chapter 446A.

12.1 Sec. 5. EXPLORE MINNESOTA TOURISM \$ 12,217,000 \$ 12,217,000

12.2 (a) Of this amount, \$12,000 each year is for a

12.3 grant to the Upper Minnesota Film Office.

12.4 (b) To develop maximum private sector

12.5 involvement in tourism, \$500,000 the first

12.6 year and \$500,000 the second year must

12.7 be matched by Explore Minnesota Tourism

12.8 from nonstate sources. Each \$1 of state

12.9 incentive must be matched with \$3 of private

12.10 sector funding. Cash match is defined as

12.11 revenue to the state or documented cash

12.12 expenditures directly expended to support

12.13 Explore Minnesota Tourism programs. Up

12.14 to one-half of the private sector contribution

12.15 may be in-kind or soft match. The incentive

12.16 in the first year shall be based on fiscal

12.17 year 2009 private sector contributions. The

12.18 incentive in the second year will be based on

12.19 fiscal year 2010 private sector contributions.

12.20 This incentive is ongoing.

12.21 Funding for the marketing grants is available

12.22 either year of the biennium. Unexpended

12.23 grant funds from the first year are available

12.24 in the second year.

12.25 Unexpended money from the general fund

12.26 appropriations made under this section

12.27 does not cancel but must be placed in a

12.28 special marketing account for use by Explore

12.29 Minnesota Tourism for additional marketing

12.30 activities.

12.31 (c) \$325,000 the first year and \$325,000 the

12.32 second year are for the Minnesota Film and

12.33 TV Board. The appropriation in each year

12.34 is available only upon receipt by the board

12.35 of \$1 in matching contributions of money or

13.1 in-kind contributions from nonstate sources
13.2 for every \$3 provided by this appropriation.
13.3 (d) \$2,475,000 the first year and \$2,475,000
13.4 the second year are for a grant to the
13.5 Minnesota Film and TV Board for the
13.6 film jobs production program under
13.7 Minnesota Statutes, section 116U.26. These
13.8 appropriations are available in either year
13.9 of the biennium and are available until
13.10 expended.

13.11 Sec. 6. HOUSING FINANCE AGENCY

13.12	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>42,560,000</u>	<u>\$</u>	<u>42,560,000</u>
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13.13 The amounts that may be spent for each
13.14 purpose are specified in the following
13.15 subdivisions.

13.16 This appropriation is for transfer to the
13.17 housing development fund for the programs
13.18 specified. Except as otherwise indicated, this
13.19 transfer is part of the agency's permanent
13.20 budget base. The agency's budget base is
13.21 \$42,710,000 in each year of the 2012-2013
13.22 biennium.

13.23	<u>Subd. 2. Challenge Program</u>	<u>6,769,000</u>	<u>6,769,000</u>
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13.24 For the economic development and housing
13.25 challenge program under Minnesota
13.26 Statutes, section 462A.33. Of this amount,
13.27 \$1,395,000 each year shall be made available
13.28 during the first eight months of the fiscal
13.29 year exclusively for housing projects for
13.30 American Indians. Any funds not committed
13.31 to housing projects for American Indians in
13.32 the first eight months of the fiscal year shall
13.33 be available for any eligible activity under
13.34 Minnesota Statutes, section 462A.33.

14.1	<u>Subd. 3. Housing Trust Fund</u>	<u>10,805,000</u>	<u>10,805,000</u>
14.2	<u>For deposit in the housing trust fund account</u>		
14.3	<u>created under Minnesota Statutes, section</u>		
14.4	<u>462A.201, and used for the purposes</u>		
14.5	<u>provided in that section.</u>		
14.6	<u>\$250,000 the first year and \$250,000 the</u>		
14.7	<u>second year are for a grant to a nonprofit</u>		
14.8	<u>organization for a demonstration project for</u>		
14.9	<u>high-risk adults under Laws 2007, chapter</u>		
14.10	<u>54, article 1, section 19.</u>		
14.11	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
14.12	<u>For a rental housing assistance program for</u>		
14.13	<u>persons with a mental illness or families with</u>		
14.14	<u>an adult member with a mental illness under</u>		
14.15	<u>Minnesota Statutes, section 462A.2097.</u>		
14.16	<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
14.17	<u>For the family homeless prevention and</u>		
14.18	<u>assistance programs under Minnesota</u>		
14.19	<u>Statutes, section 462A.204.</u>		
14.20	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>835,000</u>	<u>835,000</u>
14.21	<u>For the home ownership assistance program</u>		
14.22	<u>under Minnesota Statutes, section 462A.21,</u>		
14.23	<u>subdivision 8.</u>		
14.24	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>8,646,000</u>	<u>8,646,000</u>
14.25	<u>For the affordable rental investment fund</u>		
14.26	<u>program under Minnesota Statutes, section</u>		
14.27	<u>462A.21, subdivision 8b. The appropriation</u>		
14.28	<u>is to finance the acquisition, rehabilitation,</u>		
14.29	<u>and debt restructuring of federally assisted</u>		
14.30	<u>rental property and for making equity</u>		
14.31	<u>take-out loans under Minnesota Statutes,</u>		
14.32	<u>section 462A.05, subdivision 39.</u>		

16.1	<u>Subd. 9. Homeownership Education,</u>		
16.2	<u>Counseling, and Training</u>	<u>865,000</u>	<u>865,000</u>
16.3	<u>For the homeownership education,</u>		
16.4	<u>counseling, and training program under</u>		
16.5	<u>Minnesota Statutes, section 462A.209.</u>		
16.6	<u>Subd. 10. Capacity Building Grants</u>	<u>250,000</u>	<u>250,000</u>
16.7	<u>For nonprofit capacity building grants</u>		
16.8	<u>under Minnesota Statutes, section 462A.21,</u>		
16.9	<u>subdivision 3b.</u>		
16.10	Sec. 7. <u>LABOR AND INDUSTRY</u>		
16.11	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 22,782,000</u>	<u>\$ 23,032,000</u>
16.12	<u>Appropriations by Fund</u>		
16.13		<u>2010</u>	<u>2011</u>
16.14	<u>General</u>	<u>911,000</u>	<u>911,000</u>
16.15	<u>Workers'</u>		
16.16	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
16.17	<u>Workforce</u>		
16.18	<u>Development</u>	<u>1,000,000</u>	<u>1,250,000</u>
16.19	<u>The amounts that may be spent for each</u>		
16.20	<u>purpose are specified in the following</u>		
16.21	<u>subdivisions.</u>		
16.22	<u>Subd. 2. Workers' Compensation</u>	<u>14,890,000</u>	<u>14,890,000</u>
16.23	<u>This appropriation is from the workers'</u>		
16.24	<u>compensation fund.</u>		
16.25	<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>1,911,000</u>	<u>2,161,000</u>
16.26	<u>Appropriations by Fund</u>		
16.27	<u>General</u>	<u>911,000</u>	<u>911,000</u>
16.28	<u>Workforce</u>		
16.29	<u>Development</u>	<u>1,000,000</u>	<u>1,250,000</u>
16.30	<u>The appropriation from the workforce</u>		
16.31	<u>development fund is for the apprenticeship</u>		
16.32	<u>program under Minnesota Statutes, chapter</u>		
16.33	<u>178, and includes \$100,000 each year for</u>		
16.34	<u>labor education and advancement program</u>		
16.35	<u>grants.</u>		

17.1 The appropriation increase from the
17.2 workforce development fund is for the
17.3 apprenticeship program under Minnesota
17.4 Statutes, chapter 178, and includes \$250,000
17.5 in fiscal year 2010 and \$500,000 in fiscal
17.6 year 2011 to expand and promote registered
17.7 apprenticeship training in nonconstruction
17.8 trade programs. These amounts are added to
17.9 the agency's budget base.

17.10 The commissioner must not reduce any
17.11 funding available for prevailing wage
17.12 enforcement and must fill all positions when
17.13 vacancies become available.

17.14	<u>Subd. 4. General Support</u>	<u>5,981,000</u>	<u>5,981,000</u>
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17.15 This appropriation is from the workers'
17.16 compensation fund.

17.17 Sec. 8. **BUREAU OF MEDIATION**
17.18 **SERVICES**

17.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 1,683,000</u>	<u>\$ 1,683,000</u>
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17.20 The amounts that may be spent for each
17.21 purpose are specified in the following
17.22 subdivisions.

17.23	<u>Subd. 2. Mediation Services</u>	<u>1,583,000</u>	<u>1,583,000</u>
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17.24	<u>Subd. 3. Labor Management Cooperation</u>		
17.25	<u>Grants</u>	<u>100,000</u>	<u>100,000</u>

17.26 \$100,000 the first year and \$100,000
17.27 the second year are for grants to area
17.28 labor-management committees. Grants may
17.29 be awarded for a 12-month period beginning
17.30 July 1 of each year. Any unencumbered
17.31 balance remaining at the end of the first
17.32 year does not cancel but is available for the
17.33 second year.

18.1	Sec. 9. <u>WORKERS' COMPENSATION</u>			
18.2	<u>COURT OF APPEALS</u>	\$	<u>1,703,000</u>	\$ <u>1,703,000</u>
18.3	<u>This appropriation is from the workers'</u>			
18.4	<u>compensation fund.</u>			
18.5	Sec. 10. <u>MINNESOTA HISTORICAL</u>			
18.6	<u>SOCIETY</u>			
18.7	<u>Subdivision 1. Total Appropriation</u>	\$	<u>23,337,000</u>	\$ <u>23,221,000</u>
18.8	<u>The amounts that may be spent for each</u>			
18.9	<u>purpose are specified in the following</u>			
18.10	<u>subdivisions.</u>			
18.11	<u>Subd. 2. Education and Outreach</u>		<u>13,122,000</u>	<u>13,122,000</u>
18.12	<u>Subd. 3. Preservation and Access</u>		<u>9,853,000</u>	<u>9,853,000</u>
18.13	<u>Subd. 4. Fiscal Agent</u>			
18.14	<u>(a) Minnesota International Center</u>		<u>43,000</u>	<u>43,000</u>
18.15	<u>(b) Minnesota Air National Guard Museum</u>		<u>16,000</u>	<u>-0-</u>
18.16	<u>(c) Minnesota Military Museum</u>		<u>100,000</u>	<u>-0-</u>
18.17	<u>(d) Farmamerica</u>		<u>128,000</u>	<u>128,000</u>
18.18	<u>(e) \$75,000 the first year and \$75,000 the</u>			
18.19	<u>second year are for a grant to the city of</u>			
18.20	<u>Eveleth to be used for the support of the</u>			
18.21	<u>Hockey Hall of Fame Museum provided</u>			
18.22	<u>that it continues to operate in the city. This</u>			
18.23	<u>grant is in addition to and must not be</u>			
18.24	<u>used to supplant funding under Minnesota</u>			
18.25	<u>Statutes, section 298.28, subdivision 9c. This</u>			
18.26	<u>appropriation is added to the society's budget</u>			
18.27	<u>base.</u>			
18.28	<u>(f) Balances Forward</u>			
18.29	<u>Any unencumbered balance remaining in</u>			
18.30	<u>this subdivision the first year does not cancel</u>			
18.31	<u>but is available for the second year of the</u>			
18.32	<u>biennium.</u>			

19.1	Subd. 5. Fund Transfer			
19.2	The Minnesota Historical Society may			
19.3	reallocate funds appropriated in and between			
19.4	subdivisions 2 and 3 for any program			
19.5	purposes and the appropriations are available			
19.6	in either year of the biennium.			
19.7	Sec. 11. BOARD OF THE ARTS			
19.8	Subdivision 1. Total Appropriation	\$	9,303,000	\$ 9,303,000
19.9	The amounts that may be spent for each			
19.10	purpose are specified in the following			
19.11	subdivisions.			
19.12	Subd. 2. Operations and Services		651,000	651,000
19.13	Subd. 3. Grants Program		6,013,000	6,013,000
19.14	Subd. 4. Regional Arts Councils		2,639,000	2,639,000
19.15	Sec. 12. HUMANITIES COMMISSION	\$	250,000	\$ 250,000
19.16	Sec. 13. PUBLIC BROADCASTING	\$	2,515,000	\$ 2,015,000
19.17	(a) \$500,000 is for a grant to Minnesota			
19.18	Public Radio to assist with conversion to a			
19.19	digital broadcast signal. This is a onetime			
19.20	appropriation.			
19.21	(b) \$1,161,000 the first year and \$1,161,000			
19.22	the second year are for matching grants for			
19.23	public television.			
19.24	(c) \$200,000 the first year and \$200,000			
19.25	the second year are for public television			
19.26	equipment grants. Equipment or matching			
19.27	grant allocations shall be made after			
19.28	considering the recommendations of the			
19.29	Minnesota Public Television Association.			

20.1 (d) \$17,000 the first year and \$17,000 the
20.2 second year are for grants to the Twin Cities
20.3 regional cable channel.

20.4 (e) \$287,000 the first year and \$287,000 the
20.5 second year are for community service grants
20.6 to public educational radio stations.

20.7 (f) \$100,000 the first year and \$100,000
20.8 the second year are for equipment grants to
20.9 public educational radio stations.

20.10 (g) The grants in paragraphs (e) and (f)
20.11 must be allocated after considering the
20.12 recommendations of the Association of
20.13 Minnesota Public Educational Radio Stations
20.14 under Minnesota Statutes, section 129D.14.

20.15 (h) \$250,000 the first year and \$250,000
20.16 the second year are for equipment grants to
20.17 Minnesota Public Radio, Inc.

20.18 (i) Any unencumbered balance remaining the
20.19 first year for grants to public television or
20.20 radio stations does not cancel and is available
20.21 for the second year.

20.22 Sec. 14. **COMMERCE**

20.23	Subdivision 1. <u>Total Appropriation</u>	\$	<u>18,642,000</u>	\$	<u>18,642,000</u>
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20.24 Appropriations by Fund

20.25		<u>2010</u>	<u>2011</u>
20.26	<u>General</u>	<u>16,807,000</u>	<u>16,807,000</u>
20.27	<u>Petroleum Cleanup</u>	<u>1,084,000</u>	<u>1,084,000</u>
20.28	<u>Workers'</u>		
20.29	Compensation	751,000	751,000

20.30 The amounts that may be spent for each
20.31 purpose are specified in the following
20.32 subdivisions.

20.33	Subd. 2. Financial Examinations	6,637,000	6,637,000
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21.1	Subd. 3. <u>Petroleum Tank Release Cleanup</u>			
21.2	<u>Board</u>		<u>1,084,000</u>	<u>1,084,000</u>
21.3	<u>This appropriation is from the petroleum</u>			
21.4	<u>tank release cleanup fund.</u>			
21.5	Subd. 4. <u>Administrative Services</u>		<u>4,300,000</u>	<u>4,300,000</u>
21.6	Subd. 5. <u>Market Assurance</u>		<u>6,621,000</u>	<u>6,621,000</u>
21.7	<u>Appropriations by Fund</u>			
21.8	<u>General</u>	<u>5,870,000</u>		<u>5,870,000</u>
21.9	<u>Workers'</u>			
21.10	<u>Compensation</u>	<u>751,000</u>		<u>751,000</u>
21.11	Sec. 15. <u>BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>505,000</u>	<u>\$ 505,000</u>
21.12	Sec. 16. <u>BOARD OF ARCHITECTURE,</u>			
21.13	<u>ENGINEERING, LAND SURVEYING,</u>			
21.14	<u>LANDSCAPE ARCHITECTURE,</u>			
21.15	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$</u>	<u>815,000</u>	<u>\$ 815,000</u>
21.16	Sec. 17. <u>BOARD OF BARBER AND</u>			
21.17	<u>COSMETOLOGIST EXAMINERS</u>	<u>\$</u>	<u>839,000</u>	<u>\$ 839,000</u>
21.18	Sec. 18. <u>COMBATIVE SPORTS</u>			
21.19	<u>COMMISSION</u>	<u>\$</u>	<u>80,000</u>	<u>\$ 80,000</u>
21.20	Sec. 19. <u>TRANSFERS</u>			
21.21	<u>By June 30, 2010, the commissioner of</u>			
21.22	<u>finance shall transfer \$5,200,000, and by</u>			
21.23	<u>June 30, 2011, and each year thereafter,</u>			
21.24	<u>\$5,050,000 of the unencumbered balance</u>			
21.25	<u>in the workforce development fund to the</u>			
21.26	<u>general fund.</u>			
21.27	<u>By July 31, 2009, the commissioner of</u>			
21.28	<u>finance shall transfer \$500,000 from the</u>			
21.29	<u>unexpended balance in the auto theft</u>			
21.30	<u>prevention account to the general fund.</u>			

ARTICLE 2

EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY

Section 1. Minnesota Statutes 2008, section 116J.435, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section:

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the council, board of commissioners, board of trustees, board of regents, or other body charged with governing a local governmental unit;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science and clinical research, and research infrastructure; and

(4) "eligible project" means a bioscience business development capital improvement project in this state, including: manufacturing; technology; warehousing and distribution; research and development; bioscience business incubator; agricultural bioprocessing; or industrial, office, or research park development that would be used by a bioscience-based business.

Sec. 2. Minnesota Statutes 2008, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources.

(b) The amount of a grant may not exceed the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new bioscience businesses and organizations.

Sec. 3. Minnesota Statutes 2008, section 116J.8731, subdivision 2, is amended to read:

Subd. 2. **Administration.** The commissioner shall administer the fund as part of the Small Cities Development Block Grant Program. Funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program, except that all units of general purpose local government are eligible applicants for Minnesota investment funds. The commissioner may also make funds available within the department for eligible expenditures under section 116J.8731, subdivision 3, clause (2). A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.

Sec. 4. Minnesota Statutes 2008, section 116J.8731, subdivision 3, is amended to read:

Subd. 3. **Eligible expenditures.** The money appropriated for this section may be used to ~~provide~~ fund:

(1) grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought; and

(2) strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota's renewable sector. Expenditures in external marketing for renewable energy market development are not subject to the limitations in clause (1).

Sec. 5. Minnesota Statutes 2008, section 248.07, subdivision 7, is amended to read:

Subd. 7. **Blind, vending stands and machines on governmental property; liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the Minnesota State Colleges and Universities at a state university, a community college, a consolidated community technical college, or a technical college served by

the commissioner before January 1, 1996, or by any department or agency of the state of Minnesota except the Department of Natural Resources properties operated directly by the Division of State Parks and not subject to private leasing. ~~The merchandise to be dispensed by such~~ Vending stands and machines authorized under this subdivision may ~~include~~ dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. ~~Such vending stands and vending machines herein authorized shall and must~~ be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

(b) The Department of Employment and Economic Development is not liable under chapter 176 for any injury sustained by a blind vendor's employee or agent. The Department of Employment and Economic Development, its officers, and its agents are not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or agent that may result in the blind vendor's liability to third parties. The Department of Employment and Economic Development, its officers, and its agents are not liable for negligence based on any theory of liability for claims arising from the relationship created under this subdivision with the blind vendor.

Sec. 6. Minnesota Statutes 2008, section 268A.06, subdivision 1, is amended to read:

Subdivision 1. **Application.** Any city, town, county, nonprofit corporation, regional treatment center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community rehabilitation facility. Application for assistance ~~shall~~ must be on forms prescribed by the commissioner. ~~Each applicant shall annually submit to the commissioner its plan and budget for the next fiscal year. No~~ An applicant ~~shall be~~ is not eligible for a grant ~~hereunder~~ under this section unless its ~~plan and budget~~ audited financial statements of the prior fiscal year have been approved by the commissioner.

ARTICLE 3

EMPLOYMENT AND ECONOMIC DEVELOPMENT TECHNICAL CHANGES

Section 1. Minnesota Statutes 2008, section 15.75, subdivision 5, is amended to read:

Subd. 5. **Agreements with Department of Employment and Economic Development.** The commissioner of employment and economic development may enter into agreements with regional entities established under subdivision 4 to prepare plans to ensure coordination of the department's business development, community development, workforce development, and trade functions with programs of local units of government and other public and private development agencies in the regions. The plans will identify regional development priorities and serve as a guide for the implementation of the department's programs in the regions.

Sec. 2. Minnesota Statutes 2008, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the Constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

(4) the Financial Institutions Division and investigative staff of the Department of Commerce;

(5) the Division of Disease Prevention and Control of the Department of Health;

(6) the State Lottery;

(7) criminal investigators of the Department of Revenue;

(8) state-owned community service facilities in the Department of Human Services;

~~(9) the investigative staff of the Department of Employment and Economic Development;~~

~~(10)~~ (9) the Office of the Attorney General; and

~~(11)~~ (10) the investigative staff of the Gambling Control Board.

Sec. 3. Minnesota Statutes 2008, section 84.94, subdivision 3, is amended to read:

Subd. 3. **Identification and classification.** The Department of Natural Resources, with the cooperation of the state Geological Survey, ~~Departments~~ the Department of Transportation, and Energy, Planning and Development the Department of Employment and Economic Development, outside of the metropolitan area as defined in section 473.121, shall conduct a program of identification and classification of potentially valuable publicly or privately owned aggregate lands located outside of urban or developed areas where aggregate mining is restricted, without consideration of their present land use. The program shall give priority to identification and classification in areas of the state where urbanization or other factors are or may be resulting in a loss of aggregate resources to development. Lands shall be classified as:

(1) identified resources, being those containing significant aggregate deposits;

(2) potential resources, being those containing potentially significant deposits and meriting further evaluation; or

(3) subeconomic resources, being those containing no significant deposits.

As lands are classified, the information on the classification shall be transmitted to each of the departments and agencies named in this subdivision, to the planning authority of the appropriate county and municipality, and to the appropriate county engineer. The county planning authority shall notify owners of land classified under this subdivision by publication in a newspaper of general circulation in the county or by mail.

Sec. 4. Minnesota Statutes 2008, section 116J.035, subdivision 6, is amended to read:

Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the department.

27.1 (1) apply for, accept, and disburse gifts, bequests, grants, payments for services,
27.2 loans, or other property from the United States, the state, private foundations, or any
27.3 other source;

27.4 (2) enter into an agreement required for the gifts, grants, or loans; and

27.5 (3) hold, use, and dispose of its assets according to the terms of the gift, grant,
27.6 loan, or agreement.

27.7 (b) Money received by the commissioner under this subdivision must be deposited
27.8 in a separate account in the state treasury and invested by the State Board of Investment.

27.9 The amount deposited, including investment earnings, is appropriated to the commissioner
27.10 to carry out duties under this section.

27.11 Sec. 5. Minnesota Statutes 2008, section 116J.401, subdivision 2, is amended to read:

27.12 Subd. 2. **Duties; authorizations; limitations.** (a) The commissioner of employment
27.13 and economic development shall:

27.14 (1) provide regional development commissions, the Metropolitan Council, and
27.15 units of local government with information, technical assistance, training, and advice on
27.16 using federal and state programs;

27.17 (2) receive and administer the Small Cities Community Development Block Grant
27.18 Program authorized by Congress under the Housing and Community Development Act of
27.19 1974, as amended;

27.20 (3) receive and administer the section 107 technical assistance program grants
27.21 authorized by Congress under the Housing and Community Development Act of 1974, as
27.22 amended;

27.23 (4) receive, administer, and supervise other state and federal grants and grant
27.24 programs for planning, community affairs, community development purposes,
27.25 employment and training services, and other state and federal programs assigned to the
27.26 department by law or by the governor in accordance with section 4.07;

27.27 (5) receive applications for state and federal grants and grant programs for planning,
27.28 community affairs, and community development purposes, and other state and federal
27.29 programs assigned to the department by law or by the governor in accordance with section
27.30 4.07;

27.31 (6) act as the agent of, and cooperate with, the federal government in matters of
27.32 mutual concern, including the administration of any federal funds granted to the state to
27.33 aid in the performance of functions of the commissioner;

27.34 (7) provide consistent, integrated employment and training services across the state;

(8) administer the Wagner-Peyser Act, the Workforce Investment Act, and other federal employment and training programs;

(9) establish the standards for all employment and training services administered under this chapter and chapters 116L, 248, 268, and 268A;

(10) administer the aspects of the Minnesota family investment program, general assistance, and food stamps that relate to employment and training services, subject to the contract under section 116L.86, subdivision 1;

(11) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services;

(12) as requested, certify employment and training services, and decertify services that fail to comply with performance criteria according to standards established by the commissioner;

(13) develop standards for the contents and structure of the local service unit plans and plans for Indian tribe employment and training services, review and comment on those plans, and approve or disapprove the plans;

(14) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;

(15) establish administrative standards and payment conditions for providers of employment and training services;

(16) enter into agreements with Indian tribes as necessary to provide employment and training services as appropriate funds become available;

(17) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(18) administer and supervise all forms of unemployment insurance provided for under federal and state laws;

(19) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(20) require all general employment and training programs that receive state funds to make available information about opportunities for women in nontraditional careers in the trades and technical occupations;

(21) consult with the Rehabilitation Council for the Blind on matters pertaining to programs and services for the blind and visually impaired;

(22) enter into agreements with other departments of the state and local units of government as necessary; ~~and~~

- 29.1 (23) establish and maintain administrative units necessary to perform administrative
29.2 functions common to all divisions of the department;
- 29.3 (24) investigate, study, and undertake ways and means of promoting and encouraging
29.4 the prosperous development and protection of the legitimate interest and welfare of
29.5 Minnesota business, industry, and commerce, within and outside the state;
- 29.6 (25) locate markets for manufacturers and processors and aid merchants in locating
29.7 and contacting markets;
- 29.8 (26) as necessary or useful for the proper execution of the powers and duties of the
29.9 commissioner in promoting and developing Minnesota business, industry, and commerce,
29.10 both within and outside the state, investigate and study conditions affecting Minnesota
29.11 business, industry, and commerce; collect and disseminate information; and engage in
29.12 technical studies, scientific investigations, statistical research, and educational activities;
- 29.13 (27) plan and develop an effective business information service both for the direct
29.14 assistance of business and industry of the state and for the encouragement of business and
29.15 industry outside the state to use economic facilities within the state;
- 29.16 (28) compile, collect, and develop periodically, or otherwise make available,
29.17 information relating to current business conditions;
- 29.18 (29) conduct or encourage research designed to further new and more extensive uses
29.19 of the natural and other resources of the state and designed to develop new products
29.20 and industrial processes;
- 29.21 (30) study trends and developments in the industries of the state and analyze the
29.22 reasons underlying the trends;
- 29.23 (31) study costs and other factors affecting successful operation of businesses within
29.24 the state;
- 29.25 (32) make recommendations regarding circumstances promoting or hampering
29.26 business and industrial development;
- 29.27 (33) serve as a clearing house for business and industrial problems of the state;
- 29.28 (34) advise small business enterprises regarding improved methods of accounting
29.29 and bookkeeping;
- 29.30 (35) cooperate with interstate commissions engaged in formulating and promoting
29.31 the adoption of interstate compacts and agreements helpful to business, industry, and
29.32 commerce;
- 29.33 (36) cooperate with other state departments and with boards, commissions, and
29.34 other state agencies in the preparation and coordination of plans and policies for the
29.35 development of the state and for the use and conservation of its resources insofar as the

30.1 use, conservation, and development may be appropriately directed or influenced by a
30.2 state agency;

30.3 (37) in connection with state, county, and municipal public works projects, assemble
30.4 and coordinate information relative to the status, scope, cost, and employment possibilities
30.5 and availability of materials, equipment, and labor, and recommend limitations on the
30.6 public works;

30.7 (38) gather current progress information with reference to public and private
30.8 works projects of the state and its political subdivisions with reference to conditions of
30.9 employment;

30.10 (39) inquire into and report to the governor, when requested by the governor, with
30.11 respect to any program of public state improvements and its financing; and request
30.12 and obtain information from other state departments or agencies as may be needed for
30.13 the report;

30.14 (40) study changes in population and current trends and prepare plans and suggest
30.15 policies for the development and conservation of the resources of the state;

30.16 (41) confer and cooperate with the executive, legislative, or planning authorities of
30.17 the United States, neighboring states and provinces, and the counties and municipalities
30.18 of neighboring states, for the purpose of bringing about a coordination between the
30.19 development of neighboring provinces, states, counties, and municipalities and the
30.20 development of this state;

30.21 (42) generally gather, compile, and make available statistical information relating to
30.22 business, trade, commerce, industry, transportation, communication, natural resources,
30.23 and other like subjects in this state, with authority to call upon other state departments for
30.24 statistical data and results obtained by them and to arrange and compile that statistical
30.25 information in a reasonable manner;

30.26 (43) publish documents and annually convene regional meetings to inform
30.27 businesses, local government units, assistance providers, and other interested persons of
30.28 changes in state and federal law related to economic development;

30.29 (44) annually convene conferences of providers of economic development-related
30.30 financial and technical assistance for the purposes of exchanging information on economic
30.31 development assistance, coordinating economic development activities, and formulating
30.32 economic development strategies;

30.33 (45) provide business with information on the economic benefits of energy
30.34 conservation and on the availability of energy conservation assistance;

30.35 (46) as part of the biennial budget process, prepare performance measures for each
30.36 business loan or grant program within the jurisdiction of the commissioner. Measures

31.1 include source of funds for each program, number of jobs proposed or promised at the
31.2 time of application and the number of jobs created, estimated number of jobs retained, the
31.3 average salary and benefits for the jobs resulting from the program, and the number of
31.4 projects approved;

31.5 (47) provide a continuous program of education for business people;

31.6 (48) publish, disseminate, and distribute information and statistics;

31.7 (49) promote and encourage the expansion and development of markets for
31.8 Minnesota products;

31.9 (50) promote and encourage the location and development of new businesses in the
31.10 state as well as the maintenance and expansion of existing businesses and for that purpose
31.11 cooperate with state and local agencies and individuals, both within and outside the state;

31.12 (51) advertise and disseminate information as to natural resources, desirable
31.13 locations, and other advantages for the purpose of attracting businesses to locate in this
31.14 state;

31.15 (52) aid the various communities in this state in attracting business to their
31.16 communities;

31.17 (53) advise and cooperate with municipal, county, regional, and other planning
31.18 agencies and planning groups within the state for the purpose of promoting coordination
31.19 between the state and localities as to plans and development in order to maintain a high
31.20 level of gainful employment in private profitable production and achieve commensurate
31.21 advancement in social and cultural welfare;

31.22 (54) coordinate the activities of statewide and local planning agencies, correlate
31.23 information secured from them and from state departments and disseminate information
31.24 and suggestions to the planning agencies;

31.25 (55) encourage and assist in the organization and functioning of local planning
31.26 agencies where none exist; and

31.27 (56) adopt measures calculated to promote public interest in and understanding of
31.28 the problems of planning and, to that end, may publish and distribute copies of any plan
31.29 or any report and may employ other means of publicity and education that will give full
31.30 effect to the provisions of sections 116J.58 to 116J.63.

31.31 (b) At the request of any governmental subdivision in paragraph (a), clause (53),
31.32 the commissioner may provide planning assistance, which includes but is not limited to
31.33 surveys, land use studies, urban renewal plans, technical services and other planning work
31.34 to any city or other municipality in the state or perform similar planning work in any
31.35 county, metropolitan, or regional area in the state. The commissioner must not perform
31.36 the planning work with respect to a metropolitan or regional area which is under the

32.1 jurisdiction for planning purposes of a county, metropolitan, regional, or joint planning
32.2 body, except at the request or with the consent of the respective county, metropolitan,
32.3 regional, or joint planning body.

32.4 (c) The commissioner is authorized to:

32.5 (1) receive and expend money from municipal, county, regional, and other planning
32.6 agencies;

32.7 (2) accept and disburse grants and other aids for planning purposes from the federal
32.8 government and from other public or private sources;

32.9 (3) utilize money received under clause (2) for the employment of consultants and
32.10 other temporary personnel to assist in the supervision or performance of planning work
32.11 supported by money other than state-appropriated money;

32.12 (4) enter into contracts with agencies of the federal government, units of local
32.13 government or combinations thereof, and with private persons that are necessary in the
32.14 performance of the planning assistance function of the commissioner; and

32.15 (5) assist any local government unit in filling out application forms for the federal
32.16 grants-in-aid.

32.17 (d) In furtherance of its planning functions, any city or town, however organized,
32.18 may expend money and contract with agencies of the federal government, appropriate
32.19 departments of state government, other local units of government, and with private
32.20 persons.

32.21 Sec. 6. Minnesota Statutes 2008, section 116J.68, subdivision 2, is amended to read:

32.22 Subd. 2. **Duties.** The bureau shall:

32.23 ~~(a)~~ (1) provide information and assistance with respect to all aspects of business
32.24 planning and business management related to the start-up, operation, or expansion of
32.25 a small business in Minnesota;

32.26 ~~(b)~~ (2) refer persons interested in the start-up, operation, or expansion of a small
32.27 business in Minnesota to assistance programs sponsored by federal agencies, state
32.28 agencies, educational institutions, chambers of commerce, civic organizations, community
32.29 development groups, private industry associations, and other organizations ~~or to the~~
32.30 ~~business assistance referral system established by the Minnesota Project Outreach~~
32.31 ~~Corporation;~~

32.32 ~~(c)~~ (3) plan, develop, and implement a master file of information on small business
32.33 assistance programs of federal, state, and local governments, and other public and private
32.34 organizations so as to provide comprehensive, timely information to the bureau's clients;

33.1 ~~(d)~~ (4) employ staff with adequate and appropriate skills and education and training
33.2 for the delivery of information and assistance;

33.3 ~~(e)~~ (5) seek out and utilize, to the extent practicable, contributed expertise and
33.4 services of federal, state, and local governments, educational institutions, and other public
33.5 and private organizations;

33.6 ~~(f)~~ (6) maintain a close and continued relationship with the director of the
33.7 procurement program within the Department of Administration so as to facilitate the
33.8 department's duties and responsibilities under sections 16C.16 to 16C.19 relating to the
33.9 small targeted group business and economically disadvantaged business program of the
33.10 state;

33.11 ~~(g)~~ (7) develop an information system which will enable the commissioner and other
33.12 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small
33.13 business development and growth in the state. All executive branch agencies of state
33.14 government and the secretary of state shall to the extent practicable, assist the bureau in
33.15 the development and implementation of the information system;

33.16 ~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business
33.17 persons anywhere in the state can call the bureau office for assistance. An outreach
33.18 program shall be established to make the existence of the bureau well known to its
33.19 potential clientele throughout the state. If the small business person requires a referral to
33.20 another provider the bureau may use the business assistance referral system established by
33.21 the Minnesota Project Outreach Corporation;

33.22 ~~(i)~~ (9) conduct research and provide data as required by the state legislature;

33.23 ~~(j)~~ (10) develop and publish material on all aspects of the start-up, operation, or
33.24 expansion of a small business in Minnesota;

33.25 ~~(k)~~ (11) collect and disseminate information on state procurement opportunities,
33.26 including information on the procurement process;

33.27 ~~(l)~~ (12) develop a public awareness program through the use of newsletters, personal
33.28 contacts, and electronic and print news media advertising about state assistance programs
33.29 for small businesses, including those programs specifically for socially disadvantaged
33.30 small business persons;

33.31 ~~(m)~~ (13) enter into agreements with the federal government and other public and
33.32 private entities to serve as the statewide coordinator or host agency for the federal small
33.33 business development center program under United States Code, title 15, section 648; and

33.34 ~~(n)~~ (14) assist providers in the evaluation of their programs and the assessment of
33.35 their service area needs. The bureau may establish model evaluation techniques and
33.36 performance standards for providers to use.

34.1 Sec. 7. Minnesota Statutes 2008, section 116L.03, subdivision 5, is amended to read:

34.2 Subd. 5. **Terms.** The terms of appointed members shall be for four years ~~except for~~
34.3 ~~the initial appointments. The initial appointments of the governor shall have the following~~
34.4 ~~terms: two members each for one, two, three, and four years.~~ No member shall serve
34.5 more than two terms, and no person shall be appointed after December 31, 2001, for any
34.6 term that would cause that person to serve a total of more than eight years on the board.
34.7 Compensation for board members is as provided in section 15.0575, subdivision 3.

34.8 Sec. 8. Minnesota Statutes 2008, section 116L.05, subdivision 5, is amended to read:

34.9 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,
34.10 the board may use workforce development funds for the purposes outlined in sections
34.11 116L.02, 116L.04, and 116L.10 to 116L.14, or to provide incumbent worker training
34.12 services under section 116L.18 if the following conditions have been met:

34.13 (1) the board examines relevant economic indicators, including the projected
34.14 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of
34.15 declining and expanding industries, the number of initial applications for and the number
34.16 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
34.17 information brought to the board's attention;

34.18 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

34.19 (3) based on the past expenditures and projected revenue, the board estimates future
34.20 funding needs for services under section 116L.17 for the remainder of the current fiscal
34.21 year and the next fiscal year;

34.22 (4) the board determines there will be unspent funds after meeting the needs of
34.23 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
34.24 the needs of dislocated workers in the next fiscal year; and

34.25 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
34.26 committees with jurisdiction over the workforce development fund, to the commissioners
34.27 of revenue and finance, and to the public.

34.28 Sec. 9. Minnesota Statutes 2008, section 116L.871, subdivision 1, is amended to read:

34.29 Subdivision 1. **Responsibility and certification.** (a) Unless prohibited by federal
34.30 law or otherwise determined by state law, a local service unit is responsible for the
34.31 delivery of employment and training services. ~~As of July 1, 1998,~~ Employment and
34.32 training services may be delivered by certified employment and training service providers.

34.33 (b) The local service unit's employment and training service provider must meet the
34.34 certification standards in this subdivision if the county requests that they be certified

to deliver any of the following employment and training services and programs: wage subsidies; general assistance grant diversion; food stamp employment and training programs; community work experience programs; and MFIP employment services.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

(1) past experience in direct delivery of the programs specified in paragraph (b);

(2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, according to subdivision 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Sec. 10. Minnesota Statutes 2008, section 116L.96, is amended to read:

116L.96 DISPLACED HOMEMAKER PROGRAMS.

The commissioner of ~~economic security~~ employment and economic development may enter into arrangements with existing private or nonprofit organizations and agencies with experience in dealing with displaced homemakers to provide counseling and training services. The commissioner shall assist displaced homemakers in applying for appropriate welfare programs and shall take welfare allowances received into account in setting the stipend level. Income received as a stipend under these programs shall be totally disregarded for purposes of determining eligibility for and the amount of a general assistance grant.

Sec. 11. Minnesota Statutes 2008, section 123A.08, subdivision 1, is amended to read:

Subdivision 1. **Outside sources for resources and services.** A center may accept:

- (1) resources and services from postsecondary institutions serving center pupils;
- (2) resources from ~~Job Training Partnership Act~~ Workforce Investment Act of 1998, Public Law 105-220 programs, including funding for jobs skills training for various groups and the percentage reserved for education;
- (3) resources from the Department of Human Services and county welfare funding;
- (4) resources from a local education and employment transitions partnership; or
- (5) private resources, foundation grants, gifts, corporate contributions, and other grants.

Sec. 12. Minnesota Statutes 2008, section 124D.49, subdivision 3, is amended to read:

Subd. 3. Local education and employment transitions systems. A local education and employment transitions partnership must assess the needs of employers, employees, and learners, and develop a plan for implementing and achieving the objectives of a local or regional education and employment transitions system. The plan must provide for a comprehensive local system for assisting learners and workers in making the transition from school to work or for retraining in a new vocational area. The objectives of a local education and employment transitions system include:

(1) increasing the effectiveness of the educational programs and curriculum of elementary, secondary, and postsecondary schools and the work site in preparing students in the skills and knowledge needed to be successful in the workplace;

(2) implementing learner outcomes for students in grades kindergarten through 12 designed to introduce the world of work and to explore career opportunities, including nontraditional career opportunities;

(3) eliminating barriers to providing effective integrated applied learning, service-learning, or work-based curriculum;

(4) increasing opportunities to apply academic knowledge and skills, including skills needed in the workplace, in local settings which include the school, school-based enterprises, postsecondary institutions, the workplace, and the community;

(5) increasing applied instruction in the attitudes and skills essential for success in the workplace, including cooperative working, leadership, problem-solving, and respect for diversity;

(6) providing staff training for vocational guidance counselors, teachers, and other appropriate staff in the importance of preparing learners for the transition to work, and in methods of providing instruction that incorporate applied learning, work-based learning, and service-learning experiences;

(7) identifying and enlisting local and regional employers who can effectively provide work-based or service-learning opportunities, including, but not limited to, apprenticeships, internships, and mentorships;

(8) recruiting community and workplace mentors including peers, parents, employers and employed individuals from the community, and employers of high school students;

(9) identifying current and emerging educational, training, and employment needs of the area or region, especially within industries with potential for job growth;

(10) improving the coordination and effectiveness of local vocational and job training programs, including vocational education, adult basic education, tech prep, apprenticeship, service-learning, youth entrepreneur, youth training and employment programs administered by the commissioner of employment and economic development, and local job training programs under the ~~Job Training Partnership Act, United States Code, title 29, section 1501, et seq.~~ Workforce Investment Act of 1998, Public Law 105-220;

(11) identifying and applying for federal, state, local, and private sources of funding for vocational or applied learning programs;

(12) providing students with current information and counseling about career opportunities, potential employment, educational opportunities in postsecondary institutions, workplaces, and the community, and the skills and knowledge necessary to succeed;

(13) providing educational technology, including interactive television networks and other distance learning methods, to ensure access to a broad variety of work-based learning opportunities;

(14) including students with disabilities in a district's vocational or applied learning program and ways to serve at-risk learners through collaboration with area learning centers under sections 123A.05 to 123A.09, or other alternative programs; and

(15) providing a warranty to employers, postsecondary education programs, and other postsecondary training programs, that learners successfully completing a high school work-based or applied learning program will be able to apply the knowledge and work skills included in the program outcomes or graduation requirements. The warranty shall require education and training programs to continue to work with those learners that need additional skill development until they can demonstrate achievement of the program outcomes or graduation requirements.

Sec. 13. Minnesota Statutes 2008, section 160.276, subdivision 8, is amended to read:

Subd. 8. **Revenue.** The agreement may provide that the vendor pay a portion of the gross revenues derived from advertising. These revenues must be paid to the state for deposit in the safety rest area account established in section 160.2745. The commissioner of transportation and director of ~~the Office of~~ Explore Minnesota Tourism may enter into an interagency agreement to define the distribution of the revenues generated in this subdivision and subdivisions 2a and 3a.

Sec. 14. Minnesota Statutes 2008, section 241.27, subdivision 1, is amended to read:

Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR industries.** For the purpose of providing adequate, regular and suitable employment, educational training, and to aid the inmates of state correctional facilities, the commissioner of corrections may establish, equip, maintain and operate at any correctional facility under the commissioner's control such industrial and commercial activities as may be deemed necessary and suitable to the profitable employment, educational training and development of proper work habits of the inmates of state correctional facilities. The industrial and commercial activities authorized by this section are designated MINNCOR industries and shall be for the primary purpose of sustaining and ensuring MINNCOR industries' self-sufficiency, providing educational training, meaningful employment and the teaching of proper work habits to the inmates of correctional facilities under the control of the commissioner of corrections, and not solely as competitive business ventures. The net profits from these activities shall be used for the benefit of the inmates as it relates to education, self-sufficiency skills, and transition services and not to fund non-inmate-related activities or mandates. Prior to the establishment of any industrial and commercial activity, the commissioner of corrections may consult with representatives of business, industry, organized labor, the state Department of Education, the state Apprenticeship Council, the state Department of Labor and Industry, the Department of Employment ~~Security~~ and Economic Development, the Department of Administration, and such other persons and bodies as the commissioner may feel are qualified to determine the quantity and nature of the goods, wares, merchandise and services to be made or provided, and the types of processes to be used in their manufacture, processing, repair, and production consistent with the greatest opportunity for the reform and educational training of the inmates, and with the best interests of the state, business, industry and labor.

The commissioner of corrections shall, at all times in the conduct of any industrial or commercial activity authorized by this section, utilize inmate labor to the greatest extent feasible, provided, however, that the commissioner may employ all administrative, supervisory and other skilled workers necessary to the proper instruction of the inmates

and the profitable and efficient operation of the industrial and commercial activities authorized by this section.

Additionally, the commissioner of corrections may authorize the director of any correctional facility under the commissioner's control to accept work projects from outside sources for processing, fabrication or repair, provided that preference shall be given to the performance of such work projects for state departments and agencies.

Sec. 15. Minnesota Statutes 2008, section 248.061, subdivision 3, is amended to read:

Subd. 3. **Eligible individual.** "Eligible individual" means an individual who is eligible for library loan services through the Library of Congress and the ~~State Library for the Blind and Physically Handicapped~~ Minnesota Braille and Talking Book Library under Code of Federal Regulations, title 36, section 701.10, subsection (b).

Sec. 16. Minnesota Statutes 2008, section 248.07, subdivision 8, is amended to read:

Subd. 8. **Use of revolving fund, licenses for operation of vending machines stands.** (a) The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal ~~grants~~ vending machine income due to the operation ~~thereof~~ of vending stands operated under this subdivision shall also be paid into the fund. All interest earned on money accrued in the fund must be credited to the fund by the commissioner of finance. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund.

~~(b) Authority is hereby given to~~ The commissioner is authorized to use the money available in the revolving fund that originated as operational charges to individuals licensed under this subdivision for the establishment, operation, and supervision of vending stands by blind persons for the following purposes:

(1) purchase, upkeep and replacement of equipment;

(2) expenses incidental to the setting up of new stands and improvement of old stands;

(3) reimbursement under section 15.059 to individual blind vending operators for reasonable expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law; and

(4) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. "Majority vote" means a majority of blind vending operators voting. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

(c) Money originally deposited as merchandise and supplies repayments by individuals licensed under this subdivision may be expended for initial and replacement stocks of supplies and merchandise. Money originally deposited from vending income on federal property must be spent consistent with federal law.

(d) All other deposits may be used for the purchase of general liability insurance or any other expense related to the operation and supervision of vending stands.

(e) The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Sec. 17. Minnesota Statutes 2008, section 256J.626, subdivision 4, is amended to read:

Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1, 2004, and each two-year period thereafter, each county and tribe must have in place an approved biennial service agreement related to the services and programs in this chapter. In counties with a city of the first class with a population over 300,000, the county must consider a service agreement that includes a jointly developed plan for the delivery of employment services with the city. Counties may collaborate to develop multicounty, multitribal, or regional service agreements.

(b) The service agreements will be completed in a form prescribed by the commissioner. The agreement must include:

(1) a statement of the needs of the service population and strengths and resources in the community;

(2) numerical goals for participant outcomes measures to be accomplished during the biennial period. The commissioner may identify outcomes from section 256J.751, subdivision 2, as core outcomes for all counties and tribes;

(3) strategies the county or tribe will pursue to achieve the outcome targets. Strategies must include specification of how funds under this section will be used and may include community partnerships that will be established or strengthened;

(4) strategies the county or tribe will pursue under family stabilization services; and

(5) other items prescribed by the commissioner in consultation with counties and tribes.

(c) The commissioner shall provide each county and tribe with information needed to complete an agreement, including: (1) information on MFIP cases in the county or tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome measures; and (4) promising program practices.

(d) The service agreement must be submitted to the commissioner by October 15, 2003, and October 15 of each second year thereafter. The county or tribe must allow a period of not less than 30 days prior to the submission of the agreement to solicit comments from the public on the contents of the agreement.

(e) The commissioner must, within 60 days of receiving each county or tribal service agreement, inform the county or tribe if the service agreement is approved. If the service agreement is not approved, the commissioner must inform the county or tribe of any revisions needed prior to approval.

~~(f) The service agreement in this subdivision supersedes the plan requirements of section 116L.88.~~

Sec. 18. Minnesota Statutes 2008, section 256J.66, subdivision 1, is amended to read:

Subdivision 1. **Establishing the on-the-job training program.** (a) County agencies may develop on-the-job training programs for MFIP caregivers who are participating in employment and training services. A county agency that chooses to provide on-the-job training may make payments to employers for on-the-job training costs that, during the period of the training, must not exceed 50 percent of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with training participants under this section and in compensation for the costs associated with the lower productivity of the participants during training.

(b) Provision of an on-the-job training program under the ~~Job Training Partnership Act~~ Workforce Investment Act of 1998, Public Law 105-220, in and of itself, does not qualify as an on-the-job training program under this section.

(c) Employers must compensate participants in on-the-job training ~~shall be compensated by the employer~~ at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the federal or applicable state minimum wage, whichever is higher.

Sec. 19. Minnesota Statutes 2008, section 469.169, subdivision 3, is amended to read:

Subd. 3. **Evaluation of applications.** (a) The commissioner shall review and evaluate the applications submitted pursuant to subdivision 2 and shall determine whether each area is eligible for designation as an enterprise zone. In determining whether an area is eligible under section 469.168, subdivision 4, paragraph (a), if unemployment, employment, income, or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if the commissioner determines it is statistically reliable or accurate. The commissioner, together with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

(b) By October 1 of each year, the commissioner shall submit to the Legislative Advisory Commission a list of the areas eligible for designation as enterprise zones, along with recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(1) the pervasiveness of poverty, unemployment, and general distress in the area;

(2) the extent of chronic abandonment, deterioration, or reduction in value of commercial, industrial, or residential structures in the area and the extent of property tax arrearages in the area;

(3) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(4) the competing needs of other areas of the state;

(5) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(6) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal ~~Job Training Partnership Act of 1982, Volume 96, Statutes at Large, page 1322~~ Workforce Investment Act of 1998, Public Law 105-220;

(7) the funds available pursuant to subdivision 7; and
(8) other relevant factors that the commissioner specifies in the commissioner's recommendations.

(c) The commissioner shall submit a separate list of the areas entitled to designation as federally designated zones and border city zones along with recommendations for the amount of funds to be allocated to each area.

Sec. 20. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 116J.58, subdivision 2, as Minnesota Statutes, section 116J.035, subdivision 1a, and shall revise statutory cross-references consistent with that renumbering.

Sec. 21. **REPEALER.**

Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; and 116U.65, are repealed.

ARTICLE 4
UNEMPLOYMENT INSURANCE POLICY

Section 1. Minnesota Statutes 2008, section 268.052, subdivision 2, is amended to read:

Subd. 2. Election by state or political subdivision to be a taxpaying employer.

(a) The state or political subdivision may elect to be a taxpaying employer for any calendar year if a notice of election is filed within 30 calendar days following January 1 of that calendar year. Upon election, the state or political subdivision must be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.

(b) An election is for a minimum period of two calendar years following the effective date of the election and continue unless a notice terminating the election is filed not later than 30 calendar days before the beginning of the calendar year. The termination is effective at the beginning of the next calendar year. ~~Upon election, the commissioner shall establish a reimbursable account for the state or political subdivision. A termination of election is allowed only if the state or political subdivision has, since the beginning of the experience rating period under section 268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment benefits used in computing the experience rating. In addition, any unemployment benefits paid after the experience rating period are transferred to the new reimbursable account of the state or political subdivision. If the amount of taxes~~

~~paid since the beginning of the experience rating period exceeds 125 percent of the amount of unemployment benefits paid during the experience rating period, that amount in excess is applied against any unemployment benefits paid after the experience rating period.~~

(c) The method of payments to the trust fund under subdivisions 3 and 4 applies to all taxes paid by or due from the state or political subdivision that elects to be taxpaying employers under this subdivision.

(d) A notice of election or a notice terminating election must be filed by electronic transmission in a format prescribed by the commissioner.

Sec. 2. Minnesota Statutes 2008, section 268.053, subdivision 1, is amended to read:

Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered employment must pay taxes on a quarterly basis in accordance with section 268.051 unless it elects to make reimbursements to the trust fund the amount of unemployment benefits charged to its reimbursable account under section 268.047.

The organization may elect to make reimbursements for a period of not less than two calendar years beginning with the date that the organization was determined to be an employer with covered employment by filing a notice of election not later than 30 calendar days after the date of the determination.

(b) Any nonprofit organization that makes an election will continue to be liable for reimbursements until it files a notice terminating its election not later than 30 calendar days before the beginning of the calendar year the termination is to be effective.

(c) A nonprofit organization that has been making reimbursements that files a notice of termination of election must be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the termination of election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.

(d) Any nonprofit organization that has been paying taxes may elect to make reimbursements by filing no less than 30 calendar days before January 1 of any calendar year a notice of election. ~~Upon election, the commissioner shall establish a reimbursable account for the nonprofit organization. An election is allowed only if the nonprofit organization has, since the beginning of the experience rating period under section 268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment benefits used in computing the experience rating. In addition, any unemployment benefits paid after the experience rating period are transferred to the new reimbursable account of the nonprofit organization. If the amount of taxes paid since the beginning of the experience rating period exceeds 125 percent of the amount of unemployment benefits paid during the experience rating period, that amount in excess is applied against any~~

~~unemployment benefits paid after the experience rating period.~~ The election is not terminable by the organization for that and the next calendar year.

(e) The commissioner may for good cause extend the period that a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive.

(f) A notice of election or notice terminating election must be filed by electronic transmission in a format prescribed by the commissioner.

Sec. 3. Minnesota Statutes 2008, section 268.066, is amended to read:

268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.

(a) The commissioner ~~shall~~ must cancel as uncollectible any amounts due from an employer under this chapter or section 116L.20, that remain unpaid six years after the amounts have been first determined due, except where the delinquent amounts are secured by a notice of lien, a judgment, are in the process of garnishment, or are under a payment plan.

(b) The commissioner may cancel at any time as uncollectible any amount due, or any portion of an amount due, from an employer under this chapter or section 116L.20, that (1) are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department of Revenue under section 16D.04 was unable to collect, ~~or (3).~~

(c) The commissioner may cancel at any time any interest, penalties, or fees due from an employer, or any portions due, if the commissioner determines that it is not in the public interest to pursue collection of the amount due. This paragraph does not apply to unemployment insurance taxes or reimbursements due.

Sec. 4. Minnesota Statutes 2008, section 268.067, is amended to read:

268.067 COMPROMISE.

(a) The commissioner may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant, ~~and that has occurred during the prior 24 months.~~ This paragraph ~~may apply~~ applies if it is determined by a court of law, or a confession of judgment, that an applicant, while employed, wrongfully took from the employer \$500 or more in money or property.

(b) The commissioner may at any time compromise any ~~amount~~ unemployment insurance tax or reimbursement due from an employer under this chapter or section 116L.20.

~~(c) Any compromise involving an amount over \$2,500 must be authorized by an attorney licensed to practice law in Minnesota who is an employee of the department designated by the commissioner for that purpose.~~

46.1 ~~(d)~~ Any compromise must be in the best interest of the state of Minnesota.

46.2 Sec. 5. Minnesota Statutes 2008, section 268.07, subdivision 3b, is amended to read:

46.3 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
46.4 unemployment benefits is effective the Sunday of the calendar week that the application
46.5 was filed. ~~Upon specific request of an applicant,~~ An application for unemployment benefits
46.6 may be backdated one calendar week before the Sunday of the week the application was
46.7 actually filed if the applicant requests the backdating at the time the application is filed.
46.8 An application may be backdated only if the applicant ~~was unemployed throughout~~ had
46.9 no employment during the period of the backdating. If an individual attempted to file an
46.10 application for unemployment benefits, but was prevented from filing an application by
46.11 the department, the application is effective the Sunday of the calendar week the individual
46.12 first attempted to file an application.

46.13 (b) A benefit account established under subdivision 2 is effective the date the
46.14 application for unemployment benefits was effective.

46.15 (c) A benefit account, once established, may later be withdrawn only if:

46.16 (1) the applicant has not been paid any unemployment benefits on that benefit
46.17 account; and

46.18 (2) a new application for unemployment benefits is filed and a new benefit account is
46.19 established at the time of the withdrawal; and

46.20 ~~(2) the applicant has not served the nonpayable waiting week under section 268.085,~~
46.21 ~~subdivision 1, clause (5).~~

46.22 A determination or amended determination of eligibility or ineligibility issued under
46.23 section 268.101, that was ~~issued~~ sent before the withdrawal of the benefit account, remains
46.24 in effect and is not voided by the withdrawal of the benefit account. A determination of
46.25 ineligibility requiring subsequent earnings to satisfy the period of ineligibility under
46.26 section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on
46.27 the new benefit account.

46.28 (d) An application for unemployment benefits is not allowed before the Sunday
46.29 following the expiration of the benefit year on a prior benefit account. Except as allowed
46.30 under paragraph ~~(b)~~ (c), an applicant may establish only one benefit account each 52
46.31 calendar weeks.

46.32 Sec. 6. Minnesota Statutes 2008, section 268.085, subdivision 3, is amended to read:

46.33 Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not
46.34 eligible to receive unemployment benefits for any week with respect to which the applicant

is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause does not apply to (i) vacation pay paid upon a permanent separation from employment, or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the payment is considered wages at the time of payment under section 268.035, subdivision 29; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is not considered to have received the lump-sum a payment if (i) the applicant immediately deposits that payment in a qualified pension plan or account, or (ii) that payment is an early distribution for which the applicant paid an early distribution penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

(b) This subdivision applies to all the weeks of payment. Payments under paragraph (a), ~~clauses (1) and (2)~~ clause (1), are applied to the period immediately following the last day of employment. The number of weeks of payment is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum is divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment. ~~If the computation of reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.~~

EFFECTIVE DATE. This section is effective the day following final enactment and is retroactive to December 1, 2008.

Sec. 7. Minnesota Statutes 2008, section 268.085, subdivision 6, is amended to read:

Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24 months of the establishment of the benefit account with respect to any week occurring in the 104 weeks before the payment of the back pay during the benefit year must be deducted from unemployment benefits paid for that week.

If the back pay is not paid with respect to a specific period, the back pay must be applied to the period immediately following the last day of employment.

(b) If the back pay is reduced by the amount of unemployment benefits that have been paid, the amount of back pay withheld must be:

(1) paid by the employer to the trust fund within 30 calendar days and subject to the same collection procedures that apply to past due taxes;

(2) applied to unemployment benefit overpayments resulting from the payment of the back pay; and

(3) credited to the maximum amount of unemployment benefits available to the applicant in a benefit year that includes the weeks for which back pay was deducted.

(c) Unemployment benefits paid the applicant must be removed from the computation of the tax rate for taxpaying employers and removed from the reimbursable account for nonprofit and government employers that have elected to be liable for reimbursements in the calendar quarter the trust fund receives payment.

(d) Payments to the trust fund under this subdivision are considered as made by the applicant.

Sec. 8. Minnesota Statutes 2008, section 268.085, subdivision 15, is amended to read:

Subd. 15. **Available for suitable employment defined.** (a) "Available for suitable employment" means an applicant is ready and willing to accept suitable employment ~~in the labor market area~~. The attachment to the work force must be genuine. An applicant may restrict availability to suitable employment, but there must be no other restrictions, either self-imposed or created by circumstances, temporary or permanent, that prevent accepting suitable employment.

(b) To be considered "available for suitable employment," a student must be willing to quit school to accept suitable employment.

(c) An applicant who is absent from the labor market area for personal reasons, other than to search for work, is not "available for suitable employment."

(d) An applicant who has restrictions on the hours of the day or days of the week that the applicant can or will work, that are not normal for the applicant's usual occupation or other suitable employment, is not "available for suitable employment." An applicant

must be available for daytime employment, if suitable employment is performed during the daytime, even though the applicant previously worked the night shift.

~~(c) An applicant must have transportation throughout the labor market area to be considered "available for suitable employment."~~

Sec. 9. Minnesota Statutes 2008, section 268.095, subdivision 1, is amended to read:

Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all unemployment benefits according to subdivision 10 except when a preponderance of the evidence shows:

(1) the applicant quit the employment because of a good reason caused by the employer as defined in subdivision 3;

(2) the applicant quit the employment to accept other covered employment that provided substantially better terms and conditions of employment, but the applicant did not work long enough at the second employment to have sufficient subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed under subdivision 10 for quitting the first employment;

(3) the applicant quit the employment within 30 calendar days of beginning the employment because the employment was unsuitable for the applicant;

(4) the employment was unsuitable for the applicant and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant also had full-time employment in the base period, from which full-time employment the applicant separated because of reasons for which the applicant was held not to be ineligible, and the wage credits from the full-time employment are sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off because of lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff because of lack of work is ineligible for unemployment benefits through the end of the week that includes the scheduled date of layoff;

(7) the applicant quit the employment because the applicant's serious illness or injury made it medically necessary that the applicant quit, provided that the applicant inform the employer of the serious illness or injury and request accommodation and no reasonable accommodation is made available.

If the applicant's serious illness is chemical dependency, this exception does not apply if the applicant was previously diagnosed as chemically dependent or had treatment

for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency.

This exception raises an issue of the applicant's being ~~able to work~~ available for suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~ must determine;

(8) the applicant's loss of child care for the applicant's minor child caused the applicant to quit the employment, provided the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation is available.

This exception raises an issue of the applicant's ~~availability~~ being available for suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~ must determine; or

(9) domestic abuse of the applicant or the applicant's minor child, necessitated the applicant's quitting the employment. Domestic abuse must be shown by one or more of the following:

(i) a district court order for protection or other documentation of equitable relief issued by a court;

(ii) a police record documenting the domestic abuse;

(iii) documentation that the perpetrator of the domestic abuse has been convicted of the offense of domestic abuse;

(iv) medical documentation of domestic abuse; or

(v) written statement that the applicant or the applicant's minor child is a victim of domestic abuse, provided by a social worker, member of the clergy, shelter worker, attorney at law, or other professional who has assisted the applicant in dealing with the domestic abuse.

Domestic abuse for purposes of this clause is defined under section 518B.01.

Sec. 10. Minnesota Statutes 2008, section 268.095, subdivision 2, is amended to read:

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, is considered to have quit the employment.

(c) An employee who seeks to withdraw a previously submitted notice of quitting is considered to have quit the employment if the employer does not agree that the notice may be withdrawn.

(d) An applicant who, within five calendar days after completion of a suitable temporary job assignment from a staffing service employer, (1) fails without good cause to affirmatively request an additional job assignment, ~~or~~ (2) refuses without good cause an additional suitable job assignment offered, or (3) accepts employment with the client of the staffing service, is considered to have quit employment with the staffing service. Accepting employment with the client of the staffing service meets the requirements of the exception to ineligibility under subdivision 1, clause (2).

This paragraph applies only if, at the time of beginning of employment with the staffing service employer, the applicant signed and was provided a copy of a separate document written in clear and concise language that informed the applicant of this paragraph and that unemployment benefits may be affected.

For purposes of this paragraph, "good cause" is a reason that is significant and would compel an average, reasonable worker, who would otherwise want an additional temporary job assignment with the staffing service employer, (1) to fail to contact the staffing service employer, or (2) to refuse an offered assignment.

For purposes of this paragraph, a "staffing service employer" is an employer whose business involves employing individuals directly for the purpose of furnishing temporary job assignment workers to clients of the staffing service.

Sec. 11. Minnesota Statutes 2008, section 268.103, is amended by adding a subdivision to read:

Subd. 2a. Employer-agent appeals filed online. (a) If an agent files an appeal on behalf of an employer, the appeal must be filed online. The appeal must be filed through the electronic address provided on the determination being appealed. Use of another method of filing does not constitute an appeal. This paragraph does not apply to an employee filing an appeal on behalf of an employer.

(b) All information requested when the appeal is filed must be supplied or the communication does not constitute an appeal.

Sec. 12. Minnesota Statutes 2008, section 268.18, subdivision 4a, is amended to read:

Subd. 4a. Court fees; collection fees. (a) If the commissioner is required to pay any court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties, or interest, the commissioner may add the amount of the court fees to the total amount due.

(b) If an applicant who has been determined overpaid unemployment benefits because of fraud seeks to have any portion of the debt discharged under the federal bankruptcy code, and the commissioner files an objection in bankruptcy court to the

discharge, the commissioner may add the commissioner's cost of any court fees to the debt if the bankruptcy court does not discharge the debt.

(c) If the Internal Revenue Service assesses the commissioner a fee for offsetting from a federal tax refund the amount of any fraud overpayment, including penalties and interest, the amount of the fee may be added to the total amount due. The offset amount must be put in the trust fund and that amount credited to the total amount due from the applicant.

Sec. 13. Minnesota Statutes 2008, section 268.186, is amended to read:

268.186 RECORDS; AUDITS.

(a) Each employer must keep true and accurate records for the periods of time and containing the information the commissioner may require by rule. For the purpose of administering this chapter, the commissioner has the power to audit, examine, or cause to be supplied or copied, any books, correspondence, papers, records, or memoranda that are relevant, whether the books, correspondence, papers, records, or memoranda are the property of or in the possession of the employer or any other person at any reasonable time and as often as may be necessary.

(b) Any employer that refuses to allow an audit of its records by the department, or that fails to make all necessary records available for audit in Minnesota upon request of the commissioner, may be assessed an administrative penalty of \$500. An employer that fails to provide a weekly breakdown of money earned by an applicant upon request of the commissioner, information necessary for the detection of applicant fraud under section 268.18, subdivision 2, may be assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for failure to provide the information. The penalty collected is credited to the ~~administration account to be used by the commissioner to ensure integrity in the administration of the unemployment insurance program trust fund.~~

(c) The commissioner may make summaries, compilations, photographs, duplications, or reproductions of any records, or reports that the commissioner considers advisable for the preservation of the information contained therein. Any summaries, compilations, photographs, duplications, or reproductions is admissible in any proceeding under this chapter. The commissioner may duplicate records, reports, summaries, compilations, instructions, determinations, or any other written or recorded matter pertaining to the administration of this chapter.

(d) Regardless of any law to the contrary, the commissioner may provide for the destruction of any records, reports, or reproductions, or other papers that are no longer

necessary for the administration of this chapter, including any required audit. In addition, the commissioner may provide for the destruction or disposition of any record, report, or other paper from which the information has been electronically captured and stored, or that has been photographed, duplicated, or reproduced.

Sec. 14. **ENTREPRENEURSHIP FOR DISLOCATED WORKERS.**

Subdivision 1. **Authorization.** Minnesota has been awarded a federal grant by the United States Department of Labor under the Project GATE (Growing America Through Entrepreneurship) program to assist certain dislocated workers in starting a business. Providing unemployment benefits while the dislocated worker is receiving services such as entrepreneurial training, business counseling, and technical assistance will assist in the success of this pilot project. In order to provide unemployment benefits, the commissioner of employment and economic development is authorized to waive the availability for suitable employment requirements of Minnesota Statutes, section 268.085, subdivision 1, as well as the earnings deductibility provisions of Minnesota Statutes, section 268.085, subdivision 5, for individuals enrolled in this pilot project.

Subd. 2. **Limitations.** A maximum of 500 applicants for unemployment benefits are authorized to receive a waiver.

Subd. 3. **Expiration date.** The authorization under subdivision 1 expires June 30, 2012.

Sec. 15. **EFFECTIVE DATE.**

Sections 1 to 5, 7 to 11, 13, and 14 are effective August 2, 2009, and apply to all department determinations and unemployment law judge decisions issued on or after that date. Section 12 is effective April 1, 2010, and applies to all department determinations and unemployment law judge decisions issued on or after that date. Sections 6 and 15 are effective the day following final enactment and section 6 is retroactive to December 1, 2008.

ARTICLE 5

UNEMPLOYMENT INSURANCE TECHNICAL CHANGES

Section 1. Minnesota Statutes 2008, section 268.031, is amended to read:

268.031 STANDARD OF PROOF.

All issues of fact under the Minnesota Unemployment Insurance Law are determined by a preponderance of the evidence. ~~Preponderance of the evidence means evidence in~~

~~substantiation of a fact that, when weighed against the evidence opposing the fact, is more convincing and has a greater probability of truth.~~

Sec. 2. **[268.034] COMPUTATIONS OF MONEY ROUNDED DOWN.**

Computations of money required under this chapter that do not result in a whole dollar are rounded down to the next lower whole dollar, unless specifically provided otherwise by law.

Sec. 3. Minnesota Statutes 2008, section 268.035, subdivision 2, is amended to read:

Subd. 2. **Agricultural employment.** "Agricultural employment" means services:

(1) on a farm, in the employ of any person or family farm corporation in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals, and wildlife;

(2) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of the farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornado-like storm, if the major part of the employment is performed on a farm;

(3) in connection with the production or harvesting of any commodity defined as an agricultural product in United States Code, title 7, section 1626 of the Agricultural Marketing Act, or in connection with cotton ginning, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if the operator produced more than one-half of the commodity with respect to which the employment is performed, or in the employ of a group of operators of farms or a cooperative organization of which the operators are members, but only if the operators produced more than one-half of the commodity with respect to which the employment is performed; however, this clause ~~shall~~ is not ~~be~~ applicable to employment performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) on a farm operated for profit if the employment is not in the course of the employer's trade or business.

For purposes of this subdivision, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, orchards, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

Sec. 4. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 9a. **Construction; independent contractor.** For purposes of this chapter, section 181.723 determines whether a worker is an independent contractor or an employee when performing public or private sector commercial or residential building construction or improvement services.

Sec. 5. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 12c. **Determination.** "Determination" means a document sent to an applicant or employer by mail or electronic transmission that is an initial department ruling on a specific issue. All documents that are determinations under this chapter use that term in the title of the document and are appealable to an unemployment law judge under section 268.105, subdivision 1.

Sec. 6. Minnesota Statutes 2008, section 268.035, subdivision 17, is amended to read:

Subd. 17. Filing; filed. "Filing" or "filed" means the personal delivery of ~~any document~~ an application, appeal, or other required action to the commissioner or any of the commissioner's agents, or ~~the depositing of the document~~ if done by mail, deposited in the United States mail properly addressed to the department with postage prepaid, in which case ~~the document~~ it is considered filed on the day indicated by the cancellation mark of the United States Postal Service.

~~If, where allowed,~~ an application, appeal, or other required action is made by electronic transmission, it is considered filed on the day received by the department.

Sec. 7. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 20a. **Preponderance of the evidence.** "Preponderance of the evidence" means evidence in substantiation of a fact that, when weighed against the evidence opposing the fact, is more convincing and has a greater probability of truth.

Sec. 8. Minnesota Statutes 2008, section 268.042, subdivision 3, is amended to read:

Subd. 3. **Election to have noncovered employment considered covered employment.** (a) Any employer that has employment performed for it that is noncovered employment under section 268.035, subdivision 20, may file with the commissioner, by electronic transmission in a format prescribed by the commissioner, an election that all employees in that class of employment, in one or more distinct establishments or places of business, is considered covered employment for not less than two calendar years. The commissioner has discretion on the approval of any election. Upon the approval of the commissioner, sent by mail or electronic transmission, the employment constitutes covered employment beginning the calendar quarter after the date of approval or beginning a later calendar quarter if requested by the employer. The employment ceases to be considered covered employment as of the first day of January of any calendar year only if at least 30 calendar days before the first day of January the employer has filed with the commissioner, by electronic transmission in a format prescribed by the commissioner, a notice to that effect.

(b) The commissioner must terminate any election agreement under this subdivision upon 30 calendar days' notice sent by mail or electronic transmission, if the employer is delinquent on any taxes due or reimbursements due the trust fund.

Sec. 9. Minnesota Statutes 2008, section 268.043, is amended to read:

268.043 DETERMINATIONS OF COVERAGE.

(a) The commissioner, upon the commissioner's own motion or upon application of a person, ~~shall~~ must determine if that person is an employer or whether services performed for it constitute employment and covered employment, or whether ~~the~~ any compensation ~~for services~~ constitutes wages, and notify the person of the determination. The determination is final unless the person, files an appeal within 20 calendar days after ~~sending of the determination~~ the commissioner sends the determination by mail or electronic transmission, ~~files an appeal~~. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) No person may be initially determined an employer, or that services performed for it were in employment or covered employment, for periods more than four years

57.1 before the year in which the determination is made, unless the commissioner finds that
57.2 there was fraudulent action to avoid liability under this chapter.

57.3 Sec. 10. Minnesota Statutes 2008, section 268.044, subdivision 2, is amended to read:

57.4 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to
57.5 submit the quarterly wage detail report when due must pay a late fee of \$10 per employee,
57.6 computed based upon the highest of:

57.7 (1) the number of employees reported on the last wage detail report submitted;

57.8 (2) the number of employees reported in the corresponding quarter of the prior
57.9 calendar year; or

57.10 (3) if no wage detail report has ever been submitted, the number of employees
57.11 listed at the time of employer registration.

57.12 The late fee is ~~waived~~ canceled if the wage detail report is received within 30
57.13 calendar days after a demand for the report is sent to the employer by mail or electronic
57.14 transmission. A late fee assessed an employer may not be ~~waived~~ canceled more than
57.15 twice each 12 months. The amount of the late fee assessed may not be less than \$250.

57.16 (b) If the wage detail report is not received in a manner and format prescribed by the
57.17 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
57.18 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
57.19 increased late fee will be sent to the employer by mail or electronic transmission.

57.20 (c) Late fees due under this subdivision may be ~~compromised~~ canceled, in whole or
57.21 in part, under section ~~268.067~~ 268.066 where good cause for late submission is found by
57.22 the commissioner.

57.23 Sec. 11. Minnesota Statutes 2008, section 268.047, subdivision 1, is amended to read:

57.24 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,
57.25 including extended and shared work benefits, will be used in computing the future
57.26 tax rate of a taxpaying base period employer or charged to the reimbursable account
57.27 of a base period nonprofit or government employer that has elected to be liable for
57.28 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment
57.29 benefits used in computing the future tax rate of taxpaying employers or charged to the
57.30 reimbursable account of a nonprofit or government employer that has elected to be liable
57.31 for reimbursements is the same percentage of the total amount of unemployment benefits
57.32 paid as the percentage of wage credits from the employer is of the total amount of wage
57.33 credits from all the applicant's base period employers.

~~In making computations under this subdivision, the amount of wage credits, if not a whole dollar, must be computed to the nearest whole dollar.~~

Sec. 12. Minnesota Statutes 2008, section 268.047, subdivision 2, is amended to read:

Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception applies only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

~~(3) the employer is in the tourist or recreation industry and is in active operation of business less than 15 calendar weeks each year and the applicant's wage credits from the employer are less than 600 times the applicable state or federal minimum wage;~~

~~(4)~~ (3) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements. This exception applies to educational institutions without consideration of the period between academic years or terms;

~~(5)~~ (4) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

~~(6)~~ (5) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the

59.1 unemployment was a direct result of the intentional act of the employer or a person acting
59.2 on behalf of the employer;

59.3 ~~(7)~~ (6) the unemployment benefits were paid by another state as a result of the
59.4 transferring of wage credits under a combined wage arrangement provided for in section
59.5 268.131;

59.6 ~~(8)~~ (7) the applicant stopped working because of a labor dispute at the applicant's
59.7 primary place of employment if the employer was not a party to the labor dispute;

59.8 ~~(9)~~ (8) the unemployment benefits were determined overpaid unemployment benefits
59.9 under section 268.18;

59.10 ~~(10)~~ (9) the applicant was employed as a replacement worker, for a period of six
59.11 months or longer, for an employee who is in the military reserve and was called for active
59.12 duty during the time the applicant worked as a replacement, and the applicant was laid off
59.13 because the employee returned to employment after active duty; or

59.14 ~~(11)~~ (10) the trust fund was reimbursed for the unemployment benefits by the
59.15 federal government.

59.16 Sec. 13. Minnesota Statutes 2008, section 268.051, subdivision 1, is amended to read:

59.17 Subdivision 1. **Payments.** (a) Unemployment insurance taxes and any special
59.18 assessments, fees, or surcharges accrue and become payable by each employer for each
59.19 calendar year on the taxable wages that the employer paid to employees in covered
59.20 employment, except for:

59.21 (1) nonprofit organizations that elect to make reimbursements as provided in section
59.22 268.053; and

59.23 (2) the state of Minnesota and political subdivisions that make reimbursements,
59.24 unless they elect to pay taxes as provided in section 268.052.

59.25 Each employer must pay taxes quarterly, at the employer's assigned tax rate under
59.26 subdivision 6, on the taxable wages paid to each employee. The commissioner must
59.27 compute the tax due from the wage detail report required under section 268.044 and notify
59.28 the employer of the tax due. The taxes and any special assessments, fees, or surcharges
59.29 must be paid to the trust fund and must be received by the department on or before the last
59.30 day of the month following the end of the calendar quarter.

59.31 (b) ~~The tax amount computed, if not a whole dollar, is rounded down to the next~~
59.32 ~~lower whole dollar.~~

59.33 ~~(c)~~ If for any reason the wages on the wage detail report under section 268.044 are
59.34 adjusted for any quarter, the commissioner must recompute the taxes due for that quarter
59.35 and assess the employer for any amount due or credit the employer as appropriate.

Sec. 14. Minnesota Statutes 2008, section 268.051, subdivision 4, is amended to read:

Subd. 4. **Experience rating history transfer.** (a) When:

(1) a taxpaying employer acquires all of the organization, trade or business, or workforce of another taxpaying employer; and

(2) there is 25 percent or more common ownership or there is substantially common management or control between the predecessor and successor, the experience rating history of the predecessor employer is transferred to the successor employer.

(b) When:

(1) a taxpaying employer acquires a portion, but less than all, of the organization, trade or business, or workforce of another taxpaying employer; and

(2) there is 25 percent or more common ownership or there is substantially common management or control between the predecessor and successor, the successor employer acquires, as of the date of acquisition, the experience rating history attributable to the portion it acquired, and the predecessor employer retains the experience rating history attributable to the portion that it has retained. If the commissioner determines that sufficient information is not available to substantiate that a distinct severable portion was acquired and to assign the appropriate distinct severable portion of the experience rating history, the commissioner ~~shall~~ must assign the successor employer that percentage of the predecessor employer's experience rating history equal to that percentage of the employment positions it has obtained, and the predecessor employer retains that percentage of the experience rating history equal to the percentage of the employment positions it has retained.

(c) The term "common ownership" for purposes of this subdivision includes ownership by a spouse, parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, nephew, or first cousin, by birth or by marriage.

(d) Each successor employer that is subject to paragraph (a) or (b) must notify the commissioner of the acquisition by electronic transmission, in a format prescribed by the commissioner, within 30 calendar days of the date of acquisition. Any successor employer that fails to notify the commissioner is subject to the penalties under section 268.184, subdivision 1a, if the successor's ~~experience rating~~ assigned tax rate under subdivision 2 or 5 was lower than the predecessor's ~~experience rating~~ assigned tax rate at the time of the acquisition. Payments made toward the penalties are credited to the administration account to be used to ensure integrity in the unemployment insurance program.

(e) If the successor employer under paragraphs (a) and (b) had an experience rating at the time of the acquisition, the transferred experience rating history of the predecessor

is combined with the successor's experience rating history for purposes of recomputing a tax rate.

(f) If there has been a transfer of an experience rating history under paragraph (a) or (b), employment with a predecessor employer is not considered to have been terminated if similar employment is offered by the successor employer and accepted by the employee.

(g) The commissioner, upon notification of an employer, or upon the commissioner's own motion if the employer fails to provide the required notification, ~~shall~~ must determine if an employer is a successor within the meaning of this subdivision. The commissioner ~~shall~~ must, after determining the issue of succession or nonsuccession, recompute the tax rate under subdivision 6 of all employers affected. The commissioner ~~shall~~ must send the recomputed tax rate to all affected employers by mail or electronic transmission. Any affected employer may appeal the recomputed tax rate in accordance with the procedures in subdivision 6, paragraph (c).

(h) The "experience rating history" for purposes of this subdivision and subdivision 4a means the amount of unemployment benefits paid and the taxable wages that are being used and would be used in computing the current and any future experience rating.

For purposes of this chapter, an "acquisition" means anything that results in the obtaining by the successor employer, in any way or manner, of the organization, trade or business, or workforce of the predecessor employer.

A "distinct severable portion" in paragraph (b) means a location or unit separately identifiable within the employer's wage detail report under section 268.044.

(i) Regardless of the ownership, management, or control requirements of paragraph (a), if there is an acquisition or merger of a publicly held corporation by or with another publicly held corporation the experience rating histories of the corporations are combined as of the date of acquisition or merger for the purpose of recomputing a tax rate.

Sec. 15. Minnesota Statutes 2008, section 268.057, subdivision 4, is amended to read:

Subd. 4. **Costs.** (a) Any person that fails to pay any amount when due under this chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs, including attorney fees, incurred in the collection of the amounts due.

(b) If any tendered payment of any amount due is not honored when presented to a financial institution for payment, any costs assessed the department by the financial institution and a fee of \$25 must be assessed to the person.

62.1 (c) Costs and fees collected under this subdivision are credited to the administration
62.2 account ~~to be used by the commissioner to ensure integrity in the administration of the~~
62.3 ~~unemployment insurance program.~~

62.4 Sec. 16. Minnesota Statutes 2008, section 268.057, subdivision 5, is amended to read:

62.5 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer
62.6 under this chapter or section 116L.20, except late fees under section 268.044, are not
62.7 received on the date due the unpaid balance bears interest at the rate of one and one-half
62.8 percent per month or any part thereof. ~~Interest assessed, if not a whole dollar amount,~~
62.9 ~~is rounded down to the next lower whole dollar.~~ Interest collected is credited to the
62.10 contingent account. ~~Interest may be compromised under section 268.067.~~

62.11 Sec. 17. Minnesota Statutes 2008, section 268.0625, subdivision 1, is amended to read:

62.12 Subdivision 1. **Notice of debt to licensing authority.** The state of Minnesota or a
62.13 political subdivision may not issue, transfer, or renew, and must revoke a license for the
62.14 conduct of any profession, trade, or business, if the commissioner notifies the licensing
62.15 authority that the licensee, applicant, or employer owes any amount due under this chapter
62.16 or section 116L.20, of \$500 or more. A licensing authority that has received ~~such~~ a notice
62.17 may issue, transfer, renew, or not revoke the license only if the licensing authority has
62.18 received a copy of the debt clearance certificate issued by the commissioner.

62.19 Sec. 18. Minnesota Statutes 2008, section 268.069, subdivision 1, is amended to read:

62.20 Subdivision 1. **Requirements.** The commissioner ~~shall~~ must pay unemployment
62.21 benefits from the trust fund to an applicant who has met each of the following requirements:

62.22 (1) the applicant has filed an application for unemployment benefits and established
62.23 a benefit account in accordance with section 268.07;

62.24 (2) the applicant has not been held ineligible for unemployment benefits under
62.25 section 268.095 because of a quit or discharge;

62.26 (3) the applicant has met all of the ongoing eligibility requirements under ~~sections~~
62.27 section 268.085 and 268.086;

62.28 (4) the applicant does not have an outstanding overpayment of unemployment
62.29 benefits, including any penalties or interest; and

62.30 (5) the applicant has not been held ineligible for unemployment benefits under
62.31 section 268.182 because of a false representation or concealment of facts.

62.32 Sec. 19. Minnesota Statutes 2008, section 268.07, subdivision 1, is amended to read:

Subdivision 1. **Application for unemployment benefits; determination of benefit account.** (a) An application for unemployment benefits may be filed in person, by mail, or by electronic transmission as the commissioner may require. The applicant must be unemployed at the time the application is filed and must provide all requested information in the manner required. If the applicant is not unemployed at the time of the application or fails to provide all requested information, the communication is not considered an application for unemployment benefits.

(b) The commissioner ~~shall~~ must examine each application for unemployment benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner shall determine the weekly unemployment benefit amount available, if any, and the maximum amount of unemployment benefits available, if any. The determination ~~is known as the, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility issued under section 268.101, must be titled~~ determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage information for the applicant as provided for in section 268.044, or provided erroneous information, the commissioner may accept an applicant certification as to wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the determination was incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission.

This subdivision does not apply to documents titled determinations of eligibility or determinations of ineligibility issued under section 268.101.

(e) If an amended determination of benefit account reduces the weekly unemployment benefit amount or maximum amount of unemployment benefits available, any unemployment benefits that have been paid greater than the applicant was entitled is considered an overpayment of unemployment benefits. A determination or amended determination issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

Sec. 20. Minnesota Statutes 2008, section 268.07, subdivision 2, is amended to read:

Subd. 2. **Benefit account requirements and weekly unemployment benefit amount and maximum amount of unemployment benefits.** (a) To establish a benefit account, an applicant must have:

(1) high quarter wage credits of \$1,000 or more; and

(2) wage credits, in other than the high quarter, of \$250 or more.

(b) If an applicant has established a benefit account, the weekly unemployment benefit amount available during the benefit year is the higher of:

(1) 50 percent of the applicant's average weekly wage during the base period, to a maximum of 66-2/3 percent of the state's average weekly wage; or

(2) 50 percent of the applicant's average weekly wage during the high quarter, to a maximum of 43 percent of the state's average weekly wage.

The applicant's average weekly wage under clause (1) is computed by dividing the total wage credits by 52. The applicant's average weekly wage under clause (2) is computed by dividing the high quarter wage credits by 13.

~~(c) The state's maximum weekly unemployment benefit amount and an applicant's weekly unemployment benefit amount and maximum amount of unemployment benefits available is rounded down to the next lower whole dollar.~~ The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account established effective on or after the last Sunday in October. Once established, an applicant's weekly unemployment benefit amount is not affected by the last Sunday in October change in the state's maximum weekly unemployment benefit amount.

(d) The maximum amount of unemployment benefits available on any benefit account is the lower of:

(1) 33-1/3 percent of the applicant's total wage credits; or

(2) 26 times the applicant's weekly unemployment benefit amount.

Sec. 21. Minnesota Statutes 2008, section 268.07, subdivision 3, is amended to read:

Subd. 3. **Second benefit account requirements.** To establish a second benefit account following the expiration of a benefit year on a prior benefit account, an applicant must ~~have sufficient wage credits to establish a benefit account under~~ meet the requirements of subdivision 2 and must have performed services in covered employment after the effective date of the prior benefit account. The wages paid for ~~that employment~~ those services must ~~equal not less than~~ be at least eight times the weekly unemployment benefit amount of the prior benefit account. ~~Part of the purpose of~~ reason for this subdivision is to prevent an applicant from establishing more than one benefit account as a result of one loss of employment.

Sec. 22. Minnesota Statutes 2008, section 268.084, is amended to read:

268.084 PERSONAL IDENTIFICATION NUMBER; PRESUMPTION.

(a) Each applicant must be issued a personal identification number (PIN) for the purpose of filing continued requests for unemployment benefits, accessing information, and engaging in other transactions with the department.

(b) If a PIN assigned to an applicant is used in the filing of a continued request for unemployment benefits under section ~~268.086~~ 268.0865 or any other type of transaction, the applicant is presumed to have been the individual using that PIN and presumed to have received any unemployment benefit payment issued. This presumption may be rebutted by a preponderance of the evidence showing that the applicant assigned the PIN was not the individual who used that PIN in the transaction.

(c) The commissioner ~~shall~~ must notify each applicant of this section.

Sec. 23. Minnesota Statutes 2008, section 268.085, subdivision 1, is amended to read:

Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive unemployment benefits for any week if:

(1) the applicant has ~~an active benefit account and has~~ filed a continued request for unemployment benefits for that week under section ~~268.086~~ 268.0865;

(2) the week for which unemployment benefits are requested is in the applicant's benefit year;

(3) the applicant was unemployed as defined in section 268.035, subdivision 26;

(4) the applicant was ~~able to work and was~~ available for suitable employment, ~~and was actively seeking suitable employment as defined in subdivision 15.~~ The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the applicant is ~~unable to work or is~~ unavailable for suitable employment. ~~If the computation of the reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.~~ This clause does not apply to an applicant who is in reemployment assistance training, or each day the applicant is on jury duty or serving as an election judge;

(5) the applicant was actively seeking suitable employment as defined in subdivision 16. This clause does not apply to an applicant who is in reemployment assistance training or who was on jury duty throughout the week;

(6) the applicant has served a nonpayable waiting period of one week that the applicant is otherwise entitled to some amount of unemployment benefits. This clause does not apply if the applicant would have been entitled to federal disaster unemployment assistance because of a disaster in Minnesota, but for the applicant's establishment of a benefit account under section 268.07; and

66.1 ~~(6)~~ (7) the applicant has been participating in reemployment assistance services,
66.2 such as job search and resume writing classes, if the applicant has been determined in
66.3 need of reemployment assistance services by the commissioner, unless the applicant
66.4 has good cause for failing to participate.

66.5 Sec. 24. Minnesota Statutes 2008, section 268.085, subdivision 2, is amended to read:

66.6 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
66.7 any week:

66.8 (1) that occurs before the effective date of a benefit account;

66.9 (2) that the applicant, at the beginning of the week, has an outstanding fraud
66.10 overpayment balance under section 268.18, subdivision 2, including any penalties and
66.11 interest;

66.12 (3) that occurs in a period when the applicant is a student in attendance at, or on
66.13 vacation from a secondary school including the period between academic years or terms;

66.14 (4) that the applicant is incarcerated or performing ~~court-ordered~~ court-ordered
66.15 community service. The applicant's weekly unemployment benefit amount is reduced
66.16 by one-fifth for each day the applicant is incarcerated or performing ~~court-ordered~~
66.17 court-ordered community service. ~~If the computation of the reduced unemployment~~
66.18 ~~benefits is not a whole dollar, it is rounded down to the next lower whole dollar;~~

66.19 (5) that the applicant fails or refuses to provide information on an issue of
66.20 ineligibility required under section 268.101;

66.21 (6) that the applicant is performing services 32 hours or more, in employment,
66.22 covered employment, noncovered employment, volunteer work, or self-employment
66.23 regardless of the amount of any earnings; or

66.24 (7) with respect to which the applicant is receiving, has received, or has filed an
66.25 application for unemployment benefits under any federal law or the law of any other
66.26 state. If the appropriate agency finally determines that the applicant is not entitled to the
66.27 unemployment benefits, this clause does not apply.

66.28 Sec. 25. Minnesota Statutes 2008, section 268.085, subdivision 3a, is amended to read:

66.29 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An
66.30 applicant is not eligible to receive unemployment benefits for any week in which the
66.31 applicant is receiving or has received compensation for loss of wages equal to or in excess
66.32 of the applicant's weekly unemployment benefit amount under:

66.33 (1) the workers' compensation law of this state;

66.34 (2) the workers' compensation law of any other state or similar federal law; or

(3) any insurance or trust fund paid in whole or in part by an employer.

(b) This subdivision does not apply to an applicant who has a claim pending for loss of wages under paragraph (a); however, before unemployment benefits may be paid when a claim is pending, the issue of the applicant being ~~able to work~~ available for suitable employment, as required under subdivision 1, clause ~~(2)~~ (4), is determined under section 268.101, subdivision ~~3~~ 2. If the applicant later receives compensation as a result of the pending claim, the applicant is subject to the provisions of paragraph (a) and the unemployment benefits paid are subject to recoupment by the commissioner to the extent that the compensation constitutes overpaid unemployment benefits.

(c) If the amount of compensation described under paragraph (a) for any week is less than the applicant's weekly unemployment benefit amount, unemployment benefits requested for that week are reduced by the amount of that compensation payment.

Sec. 26. Minnesota Statutes 2008, section 268.085, subdivision 4, is amended to read:

Subd. 4. **Social Security benefits.** (a) Any applicant aged 62 or over is required to state when filing an application for unemployment benefits and when filing continued requests for unemployment benefits if the applicant is receiving, has filed for, or intends to file for, primary Social Security old age benefits for any week during the benefit year.

~~If the effective date of the applicant's Social Security claim for old age benefits is, or will be, after the start of the base period, there must be deducted from an applicant's weekly unemployment benefit amount~~ Unless paragraph (b) applies, 50 percent of the weekly equivalent of the primary Social Security old age benefit the applicant has received, has filed for, or intends to file for, with respect to that week must be deducted from an applicant's weekly unemployment benefit amount.

~~(b) If the effective date~~ (b) If ~~all of the applicant's wage credits were earned while the applicant was claiming Social Security claim for old age benefits is before the start of the base period,~~ all of the applicant's wage credits were earned while the applicant was claiming Social Security ~~there is no deduction from the applicant's weekly unemployment benefit amount. The purpose of this paragraph is to ensure that an applicant who is claiming Social Security benefits has demonstrated a desire and ability to work.~~

~~(b)~~ (c) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week during the benefit year must be determined ~~unable to work and~~ unavailable for suitable employment for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is ~~able to work and~~ available for suitable employment.

If an applicant meets the requirements of clause (1) there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits. If only clause (2) applies, then there must be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week; provided, however, that if the Social Security Administration determines that an individual is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, the 50 percent deduction does not apply to that week.

~~(e)~~ (d) Information from the Social Security Administration is considered conclusive, absent specific evidence showing that the information was erroneous.

~~(d) If the computation of the reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.~~

(e) This subdivision does not apply to Social Security survivor benefits.

Sec. 27. Minnesota Statutes 2008, section 268.085, subdivision 5, is amended to read:

Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday pay, with respect to any week, from employment, covered employment, noncovered employment, self-employment, or volunteer work, equal to or in excess of the applicant's weekly unemployment benefit amount, the applicant is ineligible for unemployment benefits for that week.

(b) If the applicant has earnings, with respect to any week, that is less than the applicant's weekly unemployment benefit amount, from employment, covered employment, noncovered employment, self-employment, or volunteer work, 55 percent of the earnings are deducted from the weekly unemployment benefit amount.

~~The resulting unemployment benefit, if not a whole dollar, is rounded down to the next lower whole dollar.~~

(c) No deduction is made from an applicant's weekly unemployment benefit amount for earnings from service in the National Guard or a United States military reserve unit or from direct service as a volunteer firefighter or volunteer ambulance service personnel. This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made for jury duty pay or for pay as an election judge.

(d) The applicant may report deductible earnings on continued requests for unemployment benefits at the next lower whole dollar amount.

(e) Deductible earnings does not include any money considered a deductible payment under subdivision 3, but includes all compensation considered wages under section 268.035, subdivision 29, and any other compensation considered earned income under state and federal law for income tax purposes.

Sec. 28. **[268.0865] CONTINUED REQUEST FOR UNEMPLOYMENT BENEFITS.**

Subdivision 1. Continued request for unemployment benefits defined. A continued request for unemployment benefits is a certification by an applicant, done on a weekly basis, that the applicant is unemployed and meets the ongoing eligibility requirements for unemployment benefits under section 268.085. A continued request must include information on possible issues of ineligibility in accordance with section 268.101, subdivision 1, paragraph (c).

Subd. 2. Filing continued requests for unemployment benefits. (a) The commissioner must designate to each applicant one of the following methods for filing a continued request:

(1) by electronic transmission under subdivision 3; or

(2) by mail under subdivision 4.

(b) The method designated by the commissioner is the only method allowed for filing a continued request by that applicant. An applicant may ask that the other allowed method be designated and the commissioner must consider inconvenience to the applicant as well as administrative capacity in determining whether to allow an applicant to change the designated method for filing a continued request for unemployment benefits.

Subd. 3. Continued request for unemployment benefits by electronic transmission. (a) A continued request for unemployment benefits by electronic transmission must be filed to that electronic mail address, telephone number, or Internet address prescribed by the commissioner for that applicant. In order to constitute a continued request, all information asked for, including information authenticating that the applicant is sending the transmission, must be provided in the format required. If all of the information asked for is not provided, the communication does not constitute a continued request for unemployment benefits.

(b) The electronic transmission communication must be filed on the date and during the time of day designated for the applicant for filing a continued request by electronic transmission.

(c) If the electronic transmission continued request is not filed on the date and during the time of day designated, a continued request by electronic transmission must be accepted if the applicant files the continued request by electronic transmission within two calendar weeks following the week in which the date designated occurred. If the continued request by electronic transmission is not filed within two calendar weeks following the week in which the date designated occurred, the electronic continued request will not be accepted and the applicant is ineligible for unemployment benefits for the period covered by the continued request, unless the applicant shows good cause for failing to file the continued request by electronic transmission within the time period required.

Subd. 4. Continued request for unemployment benefits by mail. (a) A continued request for unemployment benefits by mail must be on a form prescribed by the commissioner. The form, in order to constitute a continued request, must be totally completed and signed by the applicant. The form must be filed on the date required for the applicant for filing a continued request by mail, in an envelope with postage prepaid, and sent to the address designated.

(b) If the mail continued request for unemployment benefits is not filed on the date designated, a continued request must be accepted if the form is filed by mail within two calendar weeks following the week in which the date designated occurred. If the form is not filed within two calendar weeks following the week in which the date designated occurred, the form will not be accepted and the applicant is ineligible for unemployment benefits for the period covered by the continued request for unemployment benefits, unless the applicant shows good cause for failing to file the form by mail within the time period required.

(c) If the applicant has been designated to file a continued request for unemployment benefits by mail, an applicant may submit the form by facsimile transmission on the day otherwise required for mailing, or within two calendar weeks following the week in which the date designated occurred. A form submitted by facsimile transmission must be sent only to the telephone number assigned for that purpose.

(d) An applicant who has been designated to file a continued request by mail may personally deliver a continued request form only to the location to which the form was otherwise designated to be mailed.

Subd. 5. Good cause defined. (a) "Good cause" for purposes of this section is a compelling substantial reason that would have prevented a reasonable person acting with due diligence from filing a continued request for unemployment benefits within the time periods required.

71.1 (b) Good cause does not include forgetfulness, loss of the continued request form if
71.2 filing by mail, having returned to work, having an appeal pending, or inability to file a
71.3 continued request for unemployment benefits by the method designated if the applicant
71.4 was aware of the inability and did not make diligent effort to have the method of filing
71.5 a continued request changed by the commissioner. Good cause does not include having
71.6 previously made an attempt to file a continued request for unemployment benefits but
71.7 where the communication was not considered a continued request because the applicant
71.8 failed to submit all required information.

71.9 Sec. 29. Minnesota Statutes 2008, section 268.095, subdivision 4, is amended to read:

71.10 Subd. 4. **Discharge.** An applicant who was discharged from employment by an
71.11 employer is ineligible for all unemployment benefits according to subdivision 10 only
71.12 if a preponderance of the evidence shows:

71.13 (1) the applicant was discharged because of employment misconduct as defined
71.14 in subdivision 6; or

71.15 (2) the applicant was discharged because of aggravated employment misconduct as
71.16 defined in subdivision 6a.

71.17 Sec. 30. Minnesota Statutes 2008, section 268.095, subdivision 10, is amended to read:

71.18 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
71.19 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
71.20 unemployment and until the end of the calendar week that the applicant had total earnings
71.21 in subsequent covered employment of eight times the applicant's weekly unemployment
71.22 benefit amount.

71.23 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
71.24 week that the applicant became separated from employment.

71.25 (c) In addition to paragraph (a), if the applicant was discharged from employment
71.26 because of aggravated employment misconduct, wage credits from that employment are
71.27 canceled and cannot be used for purposes of a benefit account under section 268.07,
71.28 subdivision 2.

71.29 Sec. 31. Minnesota Statutes 2008, section 268.095, subdivision 11, is amended to read:

71.30 Subd. 11. **Application.** (a) This section and section 268.085, subdivision 13c,
71.31 ~~and this section~~ apply to all covered employment, full time or part time, temporary or of
71.32 limited duration, permanent or of indefinite duration, that occurred in Minnesota during

the base period, the period between the end of the base period and the effective date of the benefit account, or the benefit year, ~~except as provided for in subdivision 1, clause (5).~~

(b) Paragraph (a) also applies to employment covered under an unemployment insurance program of any other state or established by an act of Congress.

Sec. 32. Minnesota Statutes 2008, section 268.101, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each applicant must report the name and the reason for no longer working for the applicant's most recent employer, as well as the names of all employers and the reasons for no longer working for all employers during the six calendar months before the date of the application. If the reason reported for no longer working for any of those employers is other than a layoff because of lack of work, that raises an issue of ineligibility that the department must determine. An applicant must report any offers of employment refused during the eight calendar weeks before the date of the application for unemployment benefits and the name of the employer that made the offer. An applicant's failure to report the name of an employer, or giving an incorrect reason for no longer working for an employer, or failing to disclose an offer of employment that was refused, is a violation of section 268.182, subdivision 2.

In an application, the applicant must also provide all information necessary to determine the applicant's eligibility for unemployment benefits under this chapter. If the applicant fails or refuses to provide information necessary to determine the applicant's eligibility for unemployment benefits, the applicant is ineligible for unemployment benefits under section 268.085, subdivision 2, until the applicant provides this required information.

(b) Upon establishment of a benefit account under section 268.07, subdivision 2, the commissioner shall notify, by mail or electronic transmission, all employers the applicant was required to report on the application and all base period employers and determined successors to those employers under section 268.051, subdivision 4, in order to provide the employer an opportunity to raise, in a manner and format prescribed by the commissioner, any issue of ineligibility. An employer must be informed of the effect that failure to raise an issue of ineligibility as a result of a quit or discharge of the applicant, ~~within ten calendar days after sending of the notice,~~ as provided for under subdivision 2, paragraph (b), may have on the employer under section 268.047.

(c) Each applicant must report any employment, and loss of employment, and offers of employment refused, during those weeks the applicant filed continued requests for unemployment benefits under section ~~268.086~~ 268.0865. Each applicant who stops filing

continued requests during the benefit year and later begins filing continued requests during that same benefit year must report the name of any employer the applicant worked for during the period between the filing of continued requests and the reason the applicant stopped working for the employer. The applicant must report any offers of employment refused during the period between the filing of continued requests for unemployment benefits. Those employers from which the applicant has reported a loss of employment under this paragraph must be notified by mail or electronic transmission and provided an opportunity to raise, in a manner prescribed by the commissioner, any issue of ineligibility. An employer must be informed of the effect that failure to raise an issue of ineligibility as a result of a quit or a discharge of the applicant may have on the employer under section 268.047.

(d) The purpose for requiring the applicant to report the name of employers and the reason for no longer working for those employers, or offers of employment refused, under paragraphs (a) and (c) is for the commissioner to obtain information from an applicant raising all issues that may result in the applicant being ineligible for unemployment benefits under section 268.095, because of a quit or discharge, or the applicant being ineligible for unemployment benefits under section 268.085, subdivision 13c. If the reason given by the applicant for no longer working for an employer is other than a layoff because of lack of work, that raises an issue of ineligibility and the applicant is required, as part of the determination process under subdivision 2, paragraph (a), to state all the facts about the cause for no longer working for the employer, if known. If the applicant fails or refuses to provide any required information, the applicant is ineligible for unemployment benefits under section 268.085, subdivision 2, until the applicant provides this required information.

Sec. 33. Minnesota Statutes 2008, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner ~~shall~~ must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner ~~shall~~ must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission,

a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) An issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source, ~~without regard to any burden of proof.~~

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The commissioner may issue a determination on an issue of ineligibility at any time within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer. This paragraph does not prevent the imposition of a penalty on an applicant under section 268.18, subdivision 2, or 268.182.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or notified employer within 20 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter

except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant, the employer will be (1) sent a copy of the determination of eligibility or a determination of ineligibility, or (2) considered an involved employer for purposes of an appeal under section 268.105, only if the employer raised the issue of ineligibility.

Sec. 34. Minnesota Statutes 2008, section 268.103, subdivision 1, is amended to read:

Subdivision 1. **In commissioner's discretion.** (a) The commissioner ~~shall have the discretion to~~ may allow an appeal to be filed by electronic transmission. If the commissioner allows an appeal to be filed by electronic transmission, that must be clearly set out on the determination or decision subject to appeal.

(b) The commissioner may restrict the manner, ~~and~~ format, ~~and conditions~~ under which an appeal by electronic transmission may be filed. ~~Any Restrictions as to days, hours, a specific telephone number, or electronic address, or other conditions,~~ must be clearly set out on the determination or decision subject to appeal.

(c) All information requested by the commissioner when an appeal is filed by electronic transmission must be supplied or the communication does not constitute an appeal.

(d) This section applies to requests for reconsideration under section 268.105, subdivision 2.

Sec. 35. Minnesota Statutes 2008, section 268.105, subdivision 1, is amended to read:

Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon a timely appeal having been filed, the department must send, by mail or electronic transmission, a notice of appeal to all involved parties that an appeal has been filed, and that a de novo due process evidentiary hearing will be scheduled, ~~and that the parties have certain.~~ The notice must set out the parties' rights and responsibilities regarding the hearing. The notice must explain that the matter will be decided by the unemployment law judge based upon a preponderance of the evidence. The notice must explain in clear and simple language the meaning of the term "preponderance of the evidence." The department must set a time and place for a de novo due process evidentiary hearing and send notice to any involved applicant and any involved employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(b) The evidentiary hearing is conducted by an unemployment law judge ~~without regard to any burden of proof as an evidence gathering inquiry and not an adversarial~~

76.1 ~~proceeding.~~ At the beginning of the hearing the unemployment law judge must fully
76.2 explain how the hearing will be conducted, that the matter will be decided upon a
76.3 preponderance of the evidence, and, in clear and simple language, the meaning of the
76.4 term "preponderance of the evidence." The unemployment law judge must ensure that
76.5 all relevant facts are clearly and fully developed. The department may adopt rules on
76.6 evidentiary hearings. The rules need not conform to common law or statutory rules of
76.7 evidence and other technical rules of procedure. The department has discretion regarding
76.8 the method by which the evidentiary hearing is conducted. A report of any employee of
76.9 the department, except a determination, made in the regular course of the employee's
76.10 duties, is competent evidence of the facts contained in it.

76.11 (c) After the conclusion of the hearing, upon the evidence obtained, the
76.12 unemployment law judge must make findings of fact and decision and send those, by mail
76.13 or electronic transmission, to all involved parties. When the credibility of an involved
76.14 party or witness testifying in an evidentiary hearing has a significant effect on the outcome
76.15 of a decision, the unemployment law judge must set out the reason for crediting or
76.16 discrediting that testimony. The unemployment law judge's decision is final unless a
76.17 request for reconsideration is filed under subdivision 2.

76.18 (d) Regardless of paragraph (c), if the appealing party fails to participate in the
76.19 evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal
76.20 by summary order. By failing to participate, the appealing party is considered to have
76.21 failed to exhaust available administrative remedies unless the appealing party files a
76.22 request for reconsideration under subdivision 2 and establishes good cause for failing to
76.23 participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission
76.24 of a written statement does not constitute participation. The applicant must participate
76.25 personally and appearance solely by a representative does not constitute participation.

76.26 (e) Only employees of the department who are attorneys licensed to practice law
76.27 in Minnesota may serve as the chief unemployment law judge, senior unemployment
76.28 law judges who are supervisors, or unemployment law judges. The commissioner
76.29 must designate a chief unemployment law judge. The chief unemployment law judge
76.30 may transfer to another unemployment law judge any proceedings pending before an
76.31 unemployment law judge.

76.32 Sec. 36. Minnesota Statutes 2008, section 268.105, subdivision 2, is amended to read:

76.33 Subd. 2. **Request for reconsideration.** (a) Any involved applicant, involved
76.34 employer, or the commissioner may, within 20 calendar days of the sending of the
76.35 unemployment law judge's decision under subdivision 1, file a request for reconsideration

asking the unemployment law judge to reconsider that decision. Section 268.103 applies to a request for reconsideration. If a request for reconsideration is timely filed, the unemployment law judge must issue an order:

- (1) modifying the findings of fact and decision issued under subdivision 1;
- (2) setting aside the ~~findings of fact and~~ decision issued under subdivision 1 and directing that an additional evidentiary hearing be conducted under subdivision 1; or
- (3) affirming the findings of fact and decision issued under subdivision 1.

(b) Upon a timely request for reconsideration having been filed, the department must send a notice, by mail or electronic transmission, to all involved parties that a request for reconsideration has been filed. The notice must inform the involved parties:

(1) of the opportunity to provide comment on the request for reconsideration, and the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered or received into evidence at the evidentiary hearing;

(2) that providing specific comments as to a perceived factual or legal error in the decision, or a perceived error in procedure during the evidentiary hearing, will assist the unemployment law judge in deciding the request for reconsideration;

(3) of the right to obtain any comments and submissions provided by the other involved party regarding the request for reconsideration; and

(4) of the provisions of paragraph (c) regarding additional evidence.

This paragraph does not apply if paragraph (d) is applicable.

(c) In deciding a request for reconsideration, the unemployment law judge must not, except for purposes of determining whether to order an additional evidentiary hearing, consider any evidence that was not submitted at the evidentiary hearing conducted under subdivision 1.

The unemployment law judge must order an additional evidentiary hearing if an involved party shows that evidence which was not submitted at the evidentiary hearing:

(1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or (2) would show that the evidence that was submitted at the evidentiary hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

(d) If the involved applicant or involved employer who filed the request for reconsideration failed to participate in the evidentiary hearing conducted under subdivision 1, an order setting aside the ~~findings of fact and~~ decision and directing that an additional evidentiary hearing be conducted must be issued if the party who failed to participate had good cause for failing to do so. In the notice that a request for reconsideration has been filed, the party who failed to participate must be informed of the requirement, and provided

the opportunity, to show good cause for failing to participate. If the unemployment law judge determines that good cause for failure to participate has not been shown, the unemployment law judge must state that in the order issued under paragraph (a).

Submission of a written statement at the evidentiary hearing under subdivision 1 does not constitute participation for purposes of this paragraph.

All involved parties must be informed of this paragraph with the notice of appeal and notice of hearing provided for in subdivision 1.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from participating at the evidentiary hearing.

(e) A request for reconsideration must be decided by the unemployment law judge who issued the ~~findings of fact and~~ decision under subdivision 1 unless that unemployment law judge: (1) is no longer employed by the department; (2) is on an extended or indefinite leave; (3) has been disqualified from the proceedings on the judge's own motion; or (4) has been removed from the proceedings ~~as provided for under subdivision 1 or applicable rule~~ by the chief unemployment law judge.

(f) The unemployment law judge must send to any involved applicant or involved employer, by mail or electronic transmission, the order issued under this subdivision. An order modifying the previously issued findings of fact and decision or an order affirming the previously issued findings of fact and decision is the final department decision on the matter and is final and binding on the involved applicant and involved employer unless judicial review is sought under subdivision 7.

Sec. 37. Minnesota Statutes 2008, section 268.105, subdivision 3a, is amended to read:

Subd. 3a. **Decisions.** (a) If an unemployment law judge's decision or order allows unemployment benefits to an applicant, the unemployment benefits must be paid regardless of any request for reconsideration or any appeal to the Minnesota Court of Appeals having been filed.

(b) If an unemployment law judge's decision or order modifies or reverses a determination, or prior decision of the unemployment law judge, allowing unemployment benefits to an applicant, any benefits paid in accordance with the determination, or prior decision of the unemployment law judge, is considered an overpayment of those unemployment benefits. A decision or order issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

(c) If an unemployment law judge's order under subdivision 2 allows unemployment benefits to an applicant under section 268.095 because of a quit or discharge and the unemployment law judge's decision is reversed by the Minnesota Court of Appeals or the Supreme Court of Minnesota, the applicant cannot be held ineligible for any of the unemployment benefits paid the applicant and it is not considered an overpayment of those unemployment benefits under section 268.18, subdivision 1. The effect of the court's reversal is the application of section 268.047, subdivision 3, in computing the future tax rate of the employer.

(d) If an unemployment law judge, under subdivision 2, orders the taking of additional evidence, the unemployment law judge's prior decision must continue to be enforced until new findings of fact and decision are made by the unemployment law judge.

Sec. 38. Minnesota Statutes 2008, section 268.105, subdivision 4, is amended to read:

Subd. 4. **Oaths; subpoenas.** An unemployment law judge has authority to administer oaths and affirmations, take depositions, and issue subpoenas to compel the attendance of witnesses and the production of documents and other personal property considered necessary as evidence in connection with the subject matter of an evidentiary hearing.

The unemployment law judge must give full consideration to a request for a subpoena and must not unreasonably deny a request for a subpoena. If a subpoena request is initially denied, the unemployment law judge must, on the unemployment law judge's own motion, reconsider that request during the evidentiary hearing and rule on whether the request was properly denied. If the request was not properly denied, the evidentiary hearing must be continued for issuance of the subpoena. The subpoenas are enforceable through the district court in Ramsey County. Witnesses subpoenaed, other than an involved applicant or involved employer or officers and employees of an involved employer, must be paid by the department the same witness fees as in a civil action in district court.

Sec. 39. Minnesota Statutes 2008, section 268.115, subdivision 5, is amended to read:

Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum amount of extended unemployment benefits available to an applicant is 50 percent of the maximum amount of regular unemployment benefits available in the benefit year, ~~rounded down to the next lower whole dollar.~~ If the total rate of unemployment computed under subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount of extended unemployment benefits available is 80 percent of the maximum amount of regular unemployment benefits available in the benefit year.

Sec. 40. Minnesota Statutes 2008, section 268.125, subdivision 5, is amended to read:

Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount of additional unemployment benefits available in the applicant's benefit year is one-half of the applicant's maximum amount of regular unemployment benefits available under section 268.07, subdivision 2, ~~rounded down to the next lower whole dollar.~~ Extended unemployment benefits paid and unemployment benefits paid under any federal law other than regular unemployment benefits must be deducted from the maximum amount of additional unemployment benefits available.

Sec. 41. Minnesota Statutes 2008, section 268.135, subdivision 4, is amended to read:

Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work benefits is paid an amount equal to the regular weekly unemployment benefit amount multiplied by the nearest full percentage of reduction of the applicant's regular weekly hours of work as set in the plan. ~~The benefit payment, if not a whole dollar must be rounded down to the next lower whole dollar.~~

(b) The deductible earnings provisions of section 268.085, subdivision 5, must not apply to earnings from the shared work employer of an applicant eligible for shared work benefits unless the resulting amount would be less than the regular weekly unemployment benefit amount the applicant would otherwise be eligible for without regard to shared work benefits.

(c) An applicant is not eligible for shared work benefits for any week that employment is performed for the shared work employer in excess of the reduced hours set forth in the plan.

Sec. 42. Minnesota Statutes 2008, section 268.145, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits, the applicant must be informed that:

- (1) unemployment benefits are subject to federal and state income tax;
- (2) there are requirements for filing estimated tax payments;
- (3) the applicant may elect to have federal income tax withheld from unemployment benefits;
- (4) if the applicant elects to have federal income tax withheld, the applicant may, in addition, elect to have Minnesota state income tax withheld; and
- (5) at any time during the benefit year the applicant may change a prior election.

(b) If an applicant elects to have federal income tax withheld, the commissioner ~~shall~~ must deduct ten percent for federal income tax, ~~rounded down to the next lower~~

~~whole dollar.~~ If an applicant also elects to have Minnesota state income tax withheld, the commissioner ~~shall~~ must make an additional five percent deduction for state income tax, ~~rounded down to the next lower whole dollar.~~ Any amounts deducted or offset under sections 268.155, 268.18, and 268.184 have priority over any amounts deducted under this section. Federal income tax withholding has priority over state income tax withholding.

(c) An election to have income tax withheld may not be retroactive and only applies to unemployment benefits paid after the election.

Sec. 43. Minnesota Statutes 2008, section 268.18, subdivision 1, is amended to read:

Subdivision 1. **Nonfraud overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under section 268.07 or 268.101, or any other section of this chapter, or (2) because of an appeal decision or order under section 268.105, has received any unemployment benefits that the applicant was held not entitled to, must promptly repay the unemployment benefits to the trust fund.

(b) If the applicant fails to repay the unemployment benefits overpaid, the commissioner may offset from any future unemployment benefits otherwise payable the amount of the overpayment. Except when the overpayment resulted because the applicant failed to report deductible earnings or deductible or benefit delaying payments, no single offset may exceed 50 percent of the amount of the payment from which the offset is made. The overpayment may also be collected by the ~~same methods as delinquent payments~~ allowed under state and federal law from an employer.

(c) If an applicant has been overpaid unemployment benefits under the law of another state, because of a reason other than fraud, and that state certifies that the applicant is liable under its law to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment, except that no single offset may exceed 50 percent of the amount of the payment from which the offset is made.

~~(d) If under paragraph (b) or (c) the reduced unemployment benefits as a result of a 50 percent offset is not a whole dollar amount, it is rounded down to the next lower whole dollar.~~

Sec. 44. Minnesota Statutes 2008, section 268.18, subdivision 2, is amended to read:

Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose any material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, has committed fraud. After

the discovery of facts indicating fraud, the commissioner ~~shall~~ must make a determination that the applicant obtained unemployment benefits by fraud and that the applicant must promptly repay the unemployment benefits to the trust fund. In addition, the commissioner ~~shall~~ must assess a penalty equal to 40 percent of the amount fraudulently obtained. This penalty is in addition to penalties under section 268.182.

(b) Unless the applicant files an appeal within 20 calendar days after the sending of the determination of overpayment by fraud to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the total due may be collected by the ~~same methods as delinquent payments from an employer~~ allowed under state and federal law. A determination of overpayment by fraud must state the methods of collection the commissioner may use to recover the overpayment. Money received in repayment of fraudulently obtained unemployment benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then to the penalty amount due, then to any interest due. 62.5 percent of the payments made toward the penalty are credited to the contingent account and 37.5 percent credited to the administration account ~~for deterring, detecting, or collecting overpayments~~.

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.

(e) Unemployment benefits paid for weeks more than four years before the date of a determination of overpayment by fraud issued under this subdivision are not considered overpaid unemployment benefits.

Sec. 45. Minnesota Statutes 2008, section 268.196, subdivision 1, is amended to read:

Subdivision 1. **Administration account.** (a) There is created in the state treasury a special account to be known as the administration account. All money that is deposited ~~or paid~~ into this account is continuously available to the commissioner for expenditure to administer the Minnesota unemployment insurance program, and does not lapse at any time. The administration account consists of:

(1) all money received from the federal government to administer the Minnesota unemployment insurance program, any federal unemployment insurance program, or

83.1 assistance provided to any other state to administer that state's unemployment insurance
83.2 program;

83.3 (2) five percent of any money recovered on overpaid unemployment benefits as
83.4 provided for in section 268.194, subdivision 1, clause (7), which must be used for
83.5 deterring, detecting, and collecting overpaid unemployment benefits;

83.6 (3) any money received as compensation for services or facilities supplied to the
83.7 federal government or any other state;

83.8 (4) any money credited to this account under this chapter;

83.9 (5) any amounts received for losses sustained by this account or by reason of
83.10 damage to equipment or supplies; and

83.11 ~~(5) (6) any proceeds from the sale or disposition of any equipment or supplies that~~
83.12 ~~may no longer be necessary for the proper administration of those sections.~~

83.13 (b) All money in this account must be deposited, administered, and disbursed in the
83.14 same manner and under the same conditions and requirements as are provided by law for
83.15 the other special accounts in the state treasury. The commissioner of finance, as treasurer
83.16 and custodian of this account, is liable for the faithful performance of duties in connection
83.17 with this account.

83.18 ~~(c) All money in this account must be spent for the purposes and in the amounts~~
83.19 ~~found necessary by the United States Secretary of Labor for the proper and efficient~~
83.20 ~~administration of the Minnesota unemployment insurance program.~~

83.21 Sec. 46. Minnesota Statutes 2008, section 268.196, subdivision 2, is amended to read:

83.22 Subd. 2. **State to replace money wrongfully used.** If any money received under
83.23 United States Code, title 42, section 501 of the Social Security Act ~~or the Wagner-Peyser~~
83.24 ~~Act~~, is found by the United States Secretary of Labor to have been spent for purposes
83.25 ~~other than, or in amounts in excess of, those necessary~~ for the proper administration of the
83.26 Minnesota unemployment insurance program, ~~the commissioner may replace the money~~
83.27 ~~from the contingent account. If the money is not replaced from the contingent account,~~
83.28 ~~it is the policy of this state that the money be replaced by money appropriated for that~~
83.29 ~~purpose from the general funds of this state. If not replaced from the contingent account,~~
83.30 the commissioner ~~shall~~ must, at the earliest opportunity, submit to the legislature a request
83.31 for the appropriation of that amount.

83.32 Sec. 47. Minnesota Statutes 2008, section 268.199, is amended to read:

83.33 **268.199 CONTINGENT ACCOUNT.**

(a) There is created in the state treasury a special account, to be known as the contingent account, that does not lapse nor revert to any other fund or account. This account consists of ~~all money appropriated by the legislature,~~ all money collected under this chapter that is required to be placed in this account, and any interest earned on the account. All money in this ~~account is supplemental to all federal money available to the commissioner.~~ Money in this account is appropriated to the commissioner and is available to the commissioner for administration of the Minnesota unemployment insurance program unless otherwise appropriated by session law.

(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. ~~On June 30 of each year, all amounts in excess of \$300,000 in this account must be paid over to the trust fund.~~

Sec. 48. Minnesota Statutes 2008, section 268.211, is amended to read:

268.211 UNEMPLOYMENT INSURANCE BENEFITS TELEPHONE SYSTEM.

The commissioner must ensure that ~~the~~ any automated telephone system used for unemployment insurance benefits provides an option for any caller to speak to an unemployment insurance specialist. An individual who calls any of the publicized telephone numbers seeking information about applying for unemployment benefits or on the status of a ~~claim~~ benefit account must have the option to speak on the telephone to a specialist who can provide direct assistance or can direct the caller to the ~~person~~ individual or office that is able to respond to the caller's needs.

Sec. 49. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, chapter 268, the revisor shall change "shall" to "must," except in Minnesota Statutes, sections 268.035 and 268.103.

Sec. 50. **REPEALER.**

Minnesota Statutes 2008, sections 268.085, subdivision 14; and 268.086, are repealed.

Sec. 51. **EFFECTIVE DATE.**

Sections 1 to 50 are effective August 2, 2009, and apply to all department determinations and unemployment law judge decisions issued on or after that date.

ARTICLE 6

IRON RANGE RESOURCES

Section 1. Minnesota Statutes 2008, section 116J.424, is amended to read:

116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD CONTRIBUTION.

The commissioner of the Iron Range Resources and Rehabilitation Board with approval ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members, shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of employment and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

Sec. 2. [298.217] IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of finance, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of iron range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of iron range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements

under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of iron range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of iron range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 298.218 are repealed June 30, 2011.

Sec. 3. **[298.218] APPLICATION OF OTHER LAWS.**

Unilateral implementation of section 298.217 by the commissioner of iron range resources and rehabilitation is not an unfair labor practice under chapter 179A.

Sec. 4. Minnesota Statutes 2008, section 298.22, subdivision 2, is amended to read:

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of 13 members, five of whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house. The remaining members shall be appointed one each by the senate majority leader, the speaker of the house, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341. The members shall be appointed in January of every odd-numbered year, except that the initial nonlegislator members shall be appointed by July 1, 1999, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed, by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board at least seven Iron Range

87.1 Resources and Rehabilitation Board members. The board shall biennially make its report
87.2 to the governor and the legislature on or before November 15 of each even-numbered
87.3 year. The expenses of the board shall be paid by the state from the funds raised pursuant to
87.4 this section. Members of the board who are legislators may be reimbursed for expenses
87.5 in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per
87.6 diem payments during the interims between legislative sessions in the manner provided
87.7 in section 3.099, subdivision 1. Members of the board who are not legislators may
87.8 receive per diem payments and be reimbursed for expenses at the lowest rate provided
87.9 for legislative members.

87.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

87.11 Sec. 5. Minnesota Statutes 2008, section 298.22, subdivision 5a, is amended to read:

87.12 Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote ~~of a majority~~
87.13 ~~of the members of the board,~~ of at least seven Iron Range Resources and Rehabilitation
87.14 Board members, may purchase forest lands in the taconite assistance area defined in under
87.15 section 273.1341 with funds specifically authorized for the purchase. The acquired forest
87.16 lands must be held in trust for the benefit of the citizens of the taconite assistance area
87.17 as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and
87.18 developed for recreation and economic development purposes. The commissioner, upon
87.19 the affirmative vote ~~of a majority of the members of the board,~~ of at least seven Iron Range
87.20 Resources and Rehabilitation Board members, may sell forest lands purchased under this
87.21 subdivision if the board finds that the sale advances the purposes of the trust. Proceeds
87.22 derived from the management or sale of the lands and from the sale of timber or removal
87.23 of gravel or other minerals from these forest lands shall be deposited into an Iron Range
87.24 Miners' Memorial Forest account that is established within the state financial accounts.
87.25 Funds may be expended from the account upon approval ~~of a majority of the members~~
87.26 ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members,
87.27 to purchase, manage, administer, convey interests in, and improve the forest lands. By
87.28 ~~majority an affirmative vote of the members of the board,~~ of at least seven Iron Range
87.29 Resources and Rehabilitation Board members, money in the Iron Range Miners' Memorial
87.30 Forest account may be transferred into the corpus of the Douglas J. Johnson economic
87.31 protection trust fund established under sections 298.291 to 298.294. The property acquired
87.32 under the authority granted by this subdivision and income derived from the property or
87.33 the operation or management of the property are exempt from taxation by the state or its
87.34 political subdivisions while held by the forest trust.

Sec. 6. Minnesota Statutes 2008, section 298.22, subdivision 6, is amended to read:

Subd. 6. **Private entity participation.** The board may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Sec. 7. Minnesota Statutes 2008, section 298.22, subdivision 7, is amended to read:

Subd. 7. **Project area development authority.** (a) In addition to the other powers granted in this section and other law and notwithstanding any limitations contained in subdivision 5, the commissioner, for purposes of fostering economic development and tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area, may spend any money made available to the agency under section 298.28 to acquire real or personal property or interests therein by gift, purchase, or lease and may convey by lease, sale, or other means of conveyance or commitment any or all property interests owned or administered by the commissioner within such areas.

(b) In furtherance of development of the Giants Ridge Recreation Area or the Ironworld Discovery Center area, the commissioner may establish and participate in charitable foundations, nonprofit limited liability companies, and nonprofit corporations, including a corporation within the meaning of section 317A.011, subdivision 6.

(c) The term "Giants Ridge recreation area" refers to an economic development project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the ~~western~~ following portions of the town of White and ~~in the eastern portion of the westerly, adjacent, unorganized township.~~ city of Biwabik:

Township 59, North, Range 15 West, Sections 7,8, 17-20 and 29-32;

Township 59 North, Range 16 West, Sections 12,13, 24, 25, and 36;

Township 58 North, Range 16 West, Section 1; and

Township 58 North, Range 15 West, Sections 5 and 6.

(d) The term "Ironworld Discovery Center area" refers to an economic development and tourism promotion project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the south portion of the town of Balkan.

Sec. 8. Minnesota Statutes 2008, section 298.22, subdivision 8, is amended to read:

89.1 Subd. 8. **Spending priority.** In making or approving any expenditures on programs
89.2 or projects, the commissioner and the board shall give the highest priority to programs
89.3 and projects that target relief to those areas of the taconite assistance area as defined in
89.4 section 273.1341, that have the largest percentages of job losses and population losses
89.5 directly attributable to the economic downturn in the taconite industry since the 1980s.
89.6 The commissioner and the board shall compare the 1980 population and employment
89.7 figures with the 2000 population and employment figures, and shall specifically consider
89.8 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,
89.9 in making or approving expenditures consistent with this subdivision, as well as the areas
89.10 of residence of persons who suffered job loss for which relief is to be targeted under this
89.11 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon
89.12 the terms determined by the commissioner and approved by ~~the board~~ at least seven Iron
89.13 Range Resources and Rehabilitation Board members, surface and mineral interests owned
89.14 or acquired by the state of Minnesota acting by and through the office of the commissioner
89.15 of Iron Range resources and rehabilitation within those portions of the taconite assistance
89.16 area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes.
89.17 The payments and royalties from these leases must be deposited into the fund established
89.18 in section 298.292. This subdivision supersedes any other conflicting provisions of law
89.19 and does not preclude the commissioner and the board from making expenditures for
89.20 programs and projects in other areas.

89.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

89.22 Sec. 9. Minnesota Statutes 2008, section 298.22, subdivision 10, is amended to read:

89.23 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range
89.24 resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or
89.25 Giants Ridge Golf and Ski Resort without prior approval by ~~a majority vote of the board~~ at
89.26 least seven Iron Range Resources and Rehabilitation Board members.

89.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

89.28 Sec. 10. Minnesota Statutes 2008, section 298.22, subdivision 11, is amended to read:

89.29 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation
89.30 shall annually prepare a budget for operational expenditures, programs, and projects, and
89.31 submit it to the Iron Range Resources and Rehabilitation Board and the governor ~~for~~
89.32 ~~approval.~~ After the budget is approved by ~~the board~~ at least seven Iron Range Resources

90.1 and Rehabilitation Board members and the governor, the commissioner may spend money
90.2 in accordance with the approved budget.

90.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

90.4 Sec. 11. Minnesota Statutes 2008, section 298.221, is amended to read:

90.5 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

90.6 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
90.7 pursuant to the terms of any contract entered into by the state under authority of section
90.8 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
90.9 resources and rehabilitation, be charged in connection with any project pursuant to that
90.10 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
90.11 Resources and Rehabilitation Board account in the special revenue fund and are hereby
90.12 appropriated for the purposes of section 298.22.

90.13 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
90.14 commissioner of the Iron Range Resources and Rehabilitation Board for payment of
90.15 advertising contracts if the commissioner determines that the merchandise can be used
90.16 for special event prizes or mementos at facilities operated by the board. Nothing in this
90.17 paragraph authorizes the commissioner or a member of the board to receive merchandise
90.18 for personal use.

90.19 (c) All fees charged by the commissioner in connection with public use of the
90.20 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
90.21 revenues derived by the commissioner from the operation or lease of those facilities
90.22 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
90.23 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation
90.24 Board account that is created within the state enterprise fund. All funds deposited in the
90.25 enterprise fund account are appropriated to the commissioner to be expended, subject
90.26 to approval ~~of a majority of the board,~~ by at least seven Iron Range Resources and
90.27 Rehabilitation Board members, as follows:

90.28 (1) to pay costs associated with the construction, equipping, operation, repair, or
90.29 improvement of the Giants Ridge Recreation Area facilities or lands;

90.30 (2) to pay principal, interest and associated bond issuance, reserve, and servicing
90.31 costs associated with the financing of the facilities; and

90.32 (3) to pay the costs of any other project authorized under section 298.22.

90.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

91.1 Sec. 12. Minnesota Statutes 2008, section 298.2211, subdivision 3, is amended to read:

91.2 Subd. 3. **Project approval.** All projects authorized by this section shall be
91.3 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board;
91.4 ~~which shall recommend approval or disapproval or modification of the projects for~~
91.5 approval by at least seven Iron Range Resources and Rehabilitation Board members.
91.6 Prior to the commencement of a project involving the exercise by the commissioner of
91.7 any authority of sections 469.174 to 469.179, the governing body of each municipality in
91.8 which any part of the project is located and the county board of any county containing
91.9 portions of the project not located in an incorporated area shall by majority vote approve
91.10 or disapprove the project. Any project, ~~as so approved by the board~~ at least seven Iron
91.11 Range Resources and Rehabilitation Board members and the applicable governing bodies,
91.12 if any, together with detailed information concerning the project, its costs, the sources of
91.13 its funding, and the amount of any bonded indebtedness to be incurred in connection
91.14 with the project, shall be transmitted to the governor, who shall approve, disapprove, or
91.15 return the proposal for additional consideration within 30 days of receipt. No project
91.16 authorized under this section shall be undertaken, and no obligations shall be issued and
91.17 no tax increments shall be expended for a project authorized under this section until the
91.18 project has been approved by the governor.

91.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

91.20 Sec. 13. Minnesota Statutes 2008, section 298.2213, subdivision 4, is amended to read:

91.21 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each
91.22 year prepare a list of projects to be funded from the money appropriated in this section
91.23 with necessary supporting information including descriptions of the projects, plans, and
91.24 cost estimates. A project must not be approved by the board unless it finds that:

91.25 (1) the project will materially assist, directly or indirectly, the creation of additional
91.26 long-term employment opportunities;

91.27 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

91.28 (3) in the case of assistance to private enterprise, the project will serve a sound
91.29 business purpose.

91.30 Each project must be approved by ~~a majority of the~~ at least seven Iron Range
91.31 Resources and Rehabilitation Board members and the commissioner of Iron Range
91.32 resources and rehabilitation. The list of projects must be submitted to the governor,
91.33 who shall, by November 15 of each year, approve, disapprove, or return for further
91.34 consideration, each project. The money for a project may be spent only upon approval of

92.1 the project by the governor. The board may submit supplemental projects for approval at
92.2 any time.

92.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

92.4 Sec. 14. Minnesota Statutes 2008, section 298.2214, is amended by adding a
92.5 subdivision to read:

92.6 Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses
92.7 in the manner provided in section 298.22, subdivision 2.

92.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

92.9 Sec. 15. Minnesota Statutes 2008, section 298.223, is amended to read:

92.10 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

92.11 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental
92.12 protection fund is created for the purpose of reclaiming, restoring and enhancing those
92.13 areas of northeast Minnesota located within the taconite assistance area defined in section
92.14 273.1341, that are adversely affected by the environmentally damaging operations
92.15 involved in mining taconite and iron ore and producing iron ore concentrate and for the
92.16 purpose of promoting the economic development of northeast Minnesota. The taconite
92.17 environmental protection fund shall be used for the following purposes:

92.18 (a) to initiate investigations into matters the Iron Range Resources and Rehabilitation
92.19 Board determines are in need of study and which will determine the environmental
92.20 problems requiring remedial action;

92.21 (b) reclamation, restoration, or reforestation of mine lands not otherwise provided
92.22 for by state law;

92.23 (c) local economic development projects but only if those projects are approved
92.24 by ~~the board~~, at least seven Iron Range Resources and Rehabilitation Board members,
92.25 and public works, including construction of sewer and water systems located within the
92.26 taconite assistance area defined in section 273.1341;

92.27 (d) monitoring of mineral industry related health problems among mining
92.28 employees;

92.29 (e) local public works projects under section 298.227, paragraph (c); and

92.30 (f) local public works projects as provided under this paragraph. The following
92.31 amounts shall be distributed in 2009:

92.32 (1) .4651 cent per ton to the city of Aurora for street repair and renovation;

- 93.1 (2) .4264 cent per ton to the city of Biwabik for street and utility infrastructure
93.2 improvements to the south side industrial site;
- 93.3 (3) .6460 cent per ton to the city of Buhl for street repair;
93.4 (4) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;
93.5 (5) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure
93.6 upgrades;
- 93.7 (6) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure
93.8 upgrades;
- 93.9 (7) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;
93.10 (8) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility
93.11 modifications for the miners' memorial;
- 93.12 (9) .6460 cent per ton to the town of White for Highway 135 road upgrades;
93.13 (10) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;
93.14 (11) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;
93.15 (12) .6460 cent per ton to the town of Balkan for community center repairs;
93.16 (13) .9044 cent per ton to the city of Babbitt for city garage construction;
93.17 (14) .5168 cent per ton to the city of Cook for replacement of a water tower;
93.18 (15) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;
93.19 (16) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
93.20 (17) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
93.21 (18) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
93.22 (19) .3230 cent per ton to Lake County for trail construction;
93.23 (20) .1292 cent per ton to Cook County for construction of tennis courts in Grand
93.24 Marais;
- 93.25 (21) .3101 cent per ton to the city of Two Harbors for water infrastructure
93.26 improvements;
- 93.27 (22) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
93.28 (23) 1.0336 cents per ton to the city of Coleraine for water and sewer improvements
93.29 along Gayley Avenue;
- 93.30 (24) .3876 cent per ton to the city of Marble for construction of a city administration
93.31 facility;
- 93.32 (25) .1292 cent per ton to the city of Calumet for repairs at city hall and the
93.33 community center;
- 93.34 (26) .6460 cent per ton to the city of Nashwauk for electrical infrastructure upgrades;
93.35 (27) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades
93.36 along Depot Street;

94.1 (28) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter
94.2 improvements;

94.3 (29) 1.1628 cents per ton to the city of Grand Rapids for water and sewer
94.4 infrastructure upgrades at Pokegema Golf Course and Park Place;

94.5 (30) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades for
94.6 1st Avenue from River Road to 3rd Street SE; and

94.7 (31) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing at
94.8 Highway 2 and County Road 62.

94.9 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall
94.10 be administered by the commissioner of the Iron Range Resources and Rehabilitation
94.11 Board. The commissioner shall by September 1 of each year submit to the board a list
94.12 of projects to be funded from the taconite area environmental protection fund, with such
94.13 supporting information including description of the projects, plans, and cost estimates as
94.14 may be necessary.

94.15 (b) Each year no less than one-half of the amounts deposited into the taconite
94.16 environmental protection fund must be used for public works projects, including
94.17 construction of sewer and water systems, as specified under subdivision 1, paragraph (c).
94.18 The Iron Range Resources and Rehabilitation Board with ~~a majority vote of the members,~~
94.19 approval by at least seven Iron Range Resources and Rehabilitation Board members, may
94.20 waive the requirements of this paragraph.

94.21 (c) Upon approval by ~~a majority of the members of the Iron Range Resources and~~
94.22 ~~Rehabilitation Board,~~ at least seven Iron Range Resources and Rehabilitation Board
94.23 members, the list of projects approved under this subdivision shall be submitted to the
94.24 governor by November 1 of each year. By December 1 of each year, the governor shall
94.25 approve or disapprove, or return for further consideration, each project. Funds for a
94.26 project may be expended only upon approval of the project by ~~the board~~ at least seven Iron
94.27 Range Resources and Rehabilitation Board members, and governor. The commissioner
94.28 may submit supplemental projects to the board and governor for approval at any time.

94.29 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron
94.30 Range resources and rehabilitation taconite area environmental protection funds necessary
94.31 to carry out approved projects and programs and the funds necessary for administration of
94.32 this section. Annual administrative costs, not including detailed engineering expenses for
94.33 the projects, shall not exceed five percent of the amount annually expended from the fund.

94.34 Funds for the purposes of this section are provided by section 298.28, subdivision
94.35 11, relating to the taconite area environmental protection fund.

94.36 **EFFECTIVE DATE.** This section is effective the day following final enactment.

95.1 Sec. 16. Minnesota Statutes 2008, section 298.227, is amended to read:

95.2 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

95.3 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
95.4 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
95.5 the Iron Range Resources and Rehabilitation Board in a separate taconite economic
95.6 development fund for each taconite and direct reduced ore producer. Money from the
95.7 fund for each producer shall be released by the commissioner after review by a joint
95.8 committee consisting of an equal number of representatives of the salaried employees and
95.9 the nonsalaried production and maintenance employees of that producer. The District 11
95.10 director of the United States Steelworkers of America, on advice of each local employee
95.11 president, shall select the employee members. In nonorganized operations, the employee
95.12 committee shall be elected by the nonsalaried production and maintenance employees.
95.13 The review must be completed no later than six months after the producer presents a
95.14 proposal for expenditure of the funds to the committee. The funds held pursuant to this
95.15 section may be released only for workforce development and associated public facility
95.16 improvement, or for acquisition of plant and stationary mining equipment and facilities
95.17 for the producer or for research and development in Minnesota on new mining, or
95.18 taconite, iron, or steel production technology, but only if the producer provides a matching
95.19 expenditure to be used for the same purpose of at least 50 percent of the distribution based
95.20 on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for
95.21 expenditures of money from the fund beginning May 26, 2007, the commissioner may
95.22 not release the funds before the next scheduled meeting of the board. ~~If the board rejects~~
95.23 a proposed expenditure is not approved by at least seven Iron Range Resources and
95.24 Rehabilitation Board members, the funds must be deposited in the Taconite Environmental
95.25 Protection Fund under sections 298.222 to 298.225. If a producer uses money which has
95.26 been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile
95.27 equipment, or mining shovels, and the producer removes the piece of equipment from the
95.28 taconite tax relief area defined in section 273.134 within ten years from the date of receipt
95.29 of the money from the fund, a portion of the money granted from the fund must be repaid
95.30 to the taconite economic development fund. The portion of the money to be repaid is 100
95.31 percent of the grant if the equipment is removed from the taconite tax relief area within 12
95.32 months after receipt of the money from the fund, declining by ten percent for each of the
95.33 subsequent nine years during which the equipment remains within the taconite tax relief
95.34 area. If a taconite production facility is sold after operations at the facility had ceased, any
95.35 money remaining in the fund for the former producer may be released to the purchaser of
95.36 the facility on the terms otherwise applicable to the former producer under this section. If

a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

(b) (1) Notwithstanding the requirements of paragraph (a), setting the amount of distributions and the review process, an amount equal to ten cents per taxable ton of production in 2007, for distribution in 2008 only, that would otherwise be distributed under paragraph (a), may be used for a loan for the cost of construction of a biomass energy facility. This amount must be deducted from the distribution under paragraph (a) for which a matching expenditure by the producer is not required. The granting of the loan is subject to approval by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board members; interest must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3.

(2) Repayments of the loan and interest must be deposited in the ~~northeast Minnesota economic development~~ taconite environment protection fund established in section 298.2213 ~~under sections 298.222 through 298.225~~. If a loan is not made under this paragraph by July 1, 2009, the amount that had been made available for the loan under this paragraph must be transferred to the ~~northeast Minnesota economic development~~ taconite environment protection fund under sections 298.222 through 298.225.

(3) Money distributed in 2008 to the fund established under this section that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a pro rata basis.

If 2008 H.F. No. 1812 is enacted and includes a provision that amends this section in a manner that is different from the amendment in this section, the amendment in this section supersedes the amendment in 2008 H.F. No. 1812, notwithstanding section 645.26.

(c) Repayment or transfer of money to the taconite environmental protection fund under paragraph (b), clause (2) must be allocated by the Iron Range Resources and Rehabilitation Board for public works projects in house legislative districts in the same proportion as taxable tonnage of production in 2007 in each house legislative district, for distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph

97.1 do not require approval by the governor. For purposes of this paragraph, house legislative
97.2 districts mean the legislative districts in existence on the effective date of this section.

97.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.4 Sec. 17. Minnesota Statutes 2008, section 298.28, subdivision 9d, is amended to read:

97.5 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must
97.6 be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in
97.7 an Iron Range higher education account that is hereby created, to be used for higher
97.8 education programs conducted at educational institutions in the taconite assistance area
97.9 defined in section 273.1341. The Iron Range Higher Education committee under section
97.10 298.2214, and the Iron Range Resources and Rehabilitation Board by an affirmative vote
97.11 of at least seven Iron Range Resources and Rehabilitation Board members, must approve
97.12 all expenditures from the account.

97.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.14 Sec. 18. Minnesota Statutes 2008, section 298.292, subdivision 2, is amended to read:

97.15 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
97.16 fund may be used for the following purposes:

97.17 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
97.18 participation with private sources of financing, but a loan to a private enterprise shall be
97.19 for a principal amount not to exceed one-half of the cost of the project for which financing
97.20 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
97.21 lesser of eight percent or an interest rate three percentage points less than a full faith
97.22 and credit obligation of the United States government of comparable maturity, at the
97.23 time that the loan is approved;

97.24 (2) to fund reserve accounts established to secure the payment when due of the
97.25 principal of and interest on bonds issued pursuant to section 298.2211;

97.26 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest
97.27 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,
97.28 or retrofitting heating facilities in connection with district heating systems or systems
97.29 utilizing alternative energy sources;

97.30 (4) to invest in a venture capital fund or enterprise that will provide capital to other
97.31 entities that are engaging in, or that will engage in, projects or programs that have the
97.32 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
97.33 or enterprise unless at least two other unrelated investors make investments of at least

98.1 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas
98.2 J. Johnson economic protection trust fund may not exceed the amount of the largest
98.3 investment by an unrelated investor in the venture capital fund or enterprise. For purposes
98.4 of this subdivision, an "unrelated investor" is a person or entity that is not related to
98.5 the entity in which the investment is made or to any individual who owns more than 40
98.6 percent of the value of the entity, in any of the following relationships: spouse, parent,
98.7 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of
98.8 the value of all interests in it. For purposes of determining the limitations under this
98.9 clause, the amount of investments made by an investor other than the Douglas J. Johnson
98.10 economic protection trust fund is the sum of all investments made in the venture capital
98.11 fund or enterprise during the period beginning one year before the date of the investment
98.12 by the Douglas J. Johnson economic protection trust fund; and

98.13 (5) to purchase forest land in the taconite assistance area defined in section 273.1341
98.14 to be held and managed as a public trust for the benefit of the area for the purposes
98.15 authorized in section 298.22, subdivision 5a. Property purchased under this section may
98.16 be sold by the commissioner upon approval ~~by a majority vote of the board~~ by at least
98.17 seven Iron Range Resources and Rehabilitation Board members. The net proceeds must
98.18 be deposited in the trust fund for the purposes and uses of this section.

98.19 Money from the trust fund shall be expended only in or for the benefit of the taconite
98.20 assistance area defined in section 273.1341.

98.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

98.22 Sec. 19. **[298.2931] TRANSFER OF FUNDS.**

98.23 The amount deposited in the fund in 2009 in repayment of a loan for the Mesaba
98.24 Nugget project at the Erie Mining site in Hoyt Lakes shall be transferred to the taconite
98.25 environmental protection fund and deposited in a special account to be used as provided
98.26 under section 298.223, subdivision 1, paragraph (f).

98.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

98.28 Sec. 20. Minnesota Statutes 2008, section 298.294, is amended to read:

98.29 **298.294 INVESTMENT OF FUND.**

98.30 (a) The trust fund established by section 298.292 shall be invested pursuant to law
98.31 by the State Board of Investment and the net interest, dividends, and other earnings arising
98.32 from the investments shall be transferred, except as provided in paragraph (b), on the first
98.33 day of each month to the trust and shall be included and become part of the trust fund.

The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies of up to \$5 per hour or other activities that will create additional jobs in the taconite assistance area under section 273.1341. To qualify for a grant or loan, a business must be currently operating, have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area. Expenditures from the special account must be approved by at least seven Iron Range Resources and Rehabilitation Board members.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 21. Minnesota Statutes 2008, section 298.296, subdivision 2, is amended to read:

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.

(c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article

8, section 17, may be expended on projects. Funds may be expended for projects under this paragraph only if the project:

(1) is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) is approved by the board upon an affirmative vote of at least ten of its members.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Iron Range Resources and Rehabilitation Board or expenses relating to any facilities owned or operated by the board on May 18, 2002.

(d) Upon recommendation by a unanimous vote of all members of the board, amounts in addition to those authorized under paragraphs (a), (b), and (c) may be expended on projects described in section 298.292, subdivision 1.

(e) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(f) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

(g) Additionally, notwithstanding section 298.293, upon the affirmative vote ~~of a majority of the members of the board, of at least seven Iron Range Resources and Rehabilitation Board members,~~ money from the corpus of the trust may be expended to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 22. Minnesota Statutes 2008, section 298.2961, is amended to read:

298.2961 PRODUCER GRANTS.

Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area environmental protection fund for grants to producers on a project-by-project basis as provided in this section.

(b) The proceeds of the tax designated under section 298.28, subdivision 9b, are appropriated for grants to producers on a project-by-project basis as provided in this section.

101.1 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

101.2 (1) environmentally unique reclamation projects; or

101.3 (2) pit or plant repairs, expansions, or modernizations other than for a value added
101.4 iron products plant.

101.5 (b) To be proposed by the board, a project must be approved by at least eight Iron
101.6 Range Resources and Rehabilitation Board members. The money for a project may
101.7 be spent only upon approval of the project by the governor. The board may submit
101.8 supplemental projects for approval at any time.

101.9 (c) The board may require that it receive an equity percentage in any project to
101.10 which it contributes under this section.

101.11 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations
101.12 at the facility had ceased, any money remaining in the taconite environmental fund for the
101.13 former producer may be released to the purchaser of the facility on the terms otherwise
101.14 applicable to the former producer under this section.

101.15 (b) Any portion of the taconite environmental fund that is not released by the
101.16 commissioner within three years of its deposit in the taconite environmental fund shall be
101.17 divided between the taconite environmental protection fund created in section 298.223
101.18 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for
101.19 placement in their respective special accounts. Two-thirds of the unreleased funds must be
101.20 distributed to the taconite environmental protection fund and one-third to the Douglas J.
101.21 Johnson economic protection trust fund.

101.22 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions
101.23 under section 298.28, subdivision 9b, and to make grants or loans as provided in this
101.24 subdivision. Any grant or loan made under this subdivision must be approved by ~~a majority~~
101.25 ~~of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron
101.26 Range Resources and Rehabilitation Board members, established under section 298.22.

101.27 (b) Distributions received in calendar year 2005 are allocated to the city of Virginia
101.28 for improvements and repairs to the city's steam heating system.

101.29 (c) Distributions received in calendar year 2006 are allocated to a project of the
101.30 public utilities commissions of the cities of Hibbing and Virginia to convert their electrical
101.31 generating plants to the use of biomass products, such as wood.

101.32 (d) Distributions received in calendar year 2007 must be paid to the city of Tower to
101.33 be used for the East Two Rivers project in or near the city of Tower.

101.34 (e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution
101.35 must be paid to St. Louis County for deposit in its county road and bridge fund to be
101.36 used for relocation of St. Louis County Road 715, commonly referred to as Pike River

102.1 Road. The remainder of the 2008 distribution must be paid to St. Louis County for a
102.2 grant to the city of Virginia for connecting sewer and water lines to the St. Louis County
102.3 maintenance garage on Highway 135, further extending the lines to interconnect with the
102.4 city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent
102.5 years are allocated for projects under section 298.223, subdivision 1.

102.6 Subd. 5. **Public works and local economic development fund.** For distributions in
102.7 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would
102.8 be allocated under section 298.28, subdivision 6. The following amounts are allocated to
102.9 St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

102.10 (1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for
102.11 construction of a combined wastewater facility and notwithstanding section 298.28,
102.12 subdivision 11, paragraph (a), or any other law, interest accrued on this money while held
102.13 by St. Louis County shall also be distributed to the recipient;

102.14 (2) six cents per ton to the city of Eveleth to redesign and design and construct
102.15 improvements to renovate its water treatment facility;

102.16 (3) one cent per ton for the East Range Joint Powers Board to acquire land for and to
102.17 design a central wastewater collection and treatment system;

102.18 (4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

102.19 (5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

102.20 (6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

102.21 (7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and
102.22 Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment
102.23 and Economic Development;

102.24 (8) 0.4 cents per ton to the city of Keewatin for a new city well;

102.25 (9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous
102.26 materials center;

102.27 (10) 0.9 cents per ton to Aitkin County Growth for an economic development
102.28 project for peat harvesting;

102.29 (11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

102.30 (12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive
102.31 plan;

102.32 (13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

102.33 (14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake
102.34 Environmental Learning Center;

102.35 (15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;

(16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;

(17) 0.6 cents per ton to the city of Bovey for sewer and water extension;

(18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and

(19) ten cents per ton to the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for economic development projects approved by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board members; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.

Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is established in the taconite environmental protection fund to receive 15.5 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The funds are available for cooperative projects between the Iron Range Resources and Rehabilitation Board and local governments for renewable energy initiatives.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 7

DEBT MANAGEMENT SERVICES

Section 1. Minnesota Statutes 2008, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 83, 155A, 332, 332A, 332B, 345, and 359, and sections 325D.30 to 325D.42, 326B.802 to 326B.885, and 386.61 to 386.78, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2008, section 46.04, subdivision 1, is amended to read:

Subdivision 1. **General.** The commissioner of commerce, referred to in chapters 46 to 59A, ~~and chapter 332A, and 332B~~ and 332B as the commissioner, is vested with all the powers, authority, and privileges which, prior to the enactment of Laws 1909, chapter 201, were conferred by law upon the public examiner, and shall take over all duties in relation to state banks, savings banks, trust companies, savings associations, and other financial institutions within the state which, prior to the enactment of chapter 201, were imposed upon the public examiner. The commissioner of commerce shall exercise a constant

104.1 supervision, either personally or through the examiners herein provided for, over the
104.2 books and affairs of all state banks, savings banks, trust companies, savings associations,
104.3 credit unions, industrial loan and thrift companies, and other financial institutions doing
104.4 business within this state; and shall, through examiners, examine each financial institution
104.5 at least once every 24 calendar months. In satisfying this examination requirement, the
104.6 commissioner may accept reports of examination prepared by a federal agency having
104.7 comparable supervisory powers and examination procedures. With the exception of
104.8 industrial loan and thrift companies which do not have deposit liabilities and licensed
104.9 regulated lenders, it shall be the principal purpose of these examinations to inspect and
104.10 verify the assets and liabilities of each and so far investigate the character and value of
104.11 the assets of each institution as to determine with reasonable certainty that the values are
104.12 correctly carried on its books. Assets and liabilities shall be verified in accordance with
104.13 methods of procedure which the commissioner may determine to be adequate to carry out
104.14 the intentions of this section. It shall be the further purpose of these examinations to
104.15 assess the adequacy of capital protection and the capacity of the institution to meet usual
104.16 and reasonably anticipated deposit withdrawals and other cash commitments without
104.17 resorting to excessive borrowing or sale of assets at a significant loss, and to investigate
104.18 each institution's compliance with applicable laws and rules. Based on the examination
104.19 findings, the commissioner shall make a determination as to whether the institution
104.20 is being operated in a safe and sound manner. None of the above provisions limits the
104.21 commissioner in making additional examinations as deemed necessary or advisable. The
104.22 commissioner shall investigate the methods of operation and conduct of these institutions
104.23 and their systems of accounting, to ascertain whether these methods and systems are
104.24 in accordance with law and sound banking principles. The commissioner may make
104.25 requirements as to records as deemed necessary to facilitate the carrying out of the
104.26 commissioner's duties and to properly protect the public interest. The commissioner may
104.27 examine, or cause to be examined by these examiners, on oath, any officer, director,
104.28 trustee, owner, agent, clerk, customer, or depositor of any financial institution touching
104.29 the affairs and business thereof, and may issue, or cause to be issued by the examiners,
104.30 subpoenas, and administer, or cause to be administered by the examiners, oaths. In
104.31 case of any refusal to obey any subpoena issued under the commissioner's direction,
104.32 the refusal may at once be reported to the district court of the district in which the bank
104.33 or other financial institution is located, and this court shall enforce obedience to these
104.34 subpoenas in the manner provided by law for enforcing obedience to subpoenas of the
104.35 court. In all matters relating to official duties, the commissioner of commerce has the
104.36 power possessed by courts of law to issue subpoenas and cause them to be served and

105.1 enforced, and all officers, directors, trustees, and employees of state banks, savings banks,
105.2 trust companies, savings associations, and other financial institutions within the state,
105.3 and all persons having dealings with or knowledge of the affairs or methods of these
105.4 institutions, shall afford reasonable facilities for these examinations, make returns and
105.5 reports to the commissioner of commerce as the commissioner may require; attend and
105.6 answer, under oath, the commissioner's lawful inquiries; produce and exhibit any books,
105.7 accounts, documents, and property as the commissioner may desire to inspect, and in all
105.8 things aid the commissioner in the performance of duties.

105.9 Sec. 3. Minnesota Statutes 2008, section 46.05, is amended to read:

105.10 **46.05 SUPERVISION OVER FINANCIAL INSTITUTIONS.**

105.11 Every state bank, savings bank, trust company, savings association, debt management
105.12 services provider, debt settlement services provider, and other financial institutions shall
105.13 be at all times under the supervision and subject to the control of the commissioner
105.14 of commerce. If, and whenever in the performance of duties, the commissioner finds
105.15 it necessary to make a special investigation of any financial institution under the
105.16 commissioner's supervision, and other than a complete examination, the commissioner
105.17 shall make a charge therefor to include only the necessary costs thereof. Such a fee shall
105.18 be payable to the commissioner on the commissioner's making a request for payment.

105.19 Sec. 4. Minnesota Statutes 2008, section 46.131, subdivision 2, is amended to read:

105.20 Subd. 2. **Assessment authority.** Each bank, trust company, savings bank, savings
105.21 association, regulated lender, industrial loan and thrift company, credit union, motor
105.22 vehicle sales finance company, debt management services provider, debt settlement
105.23 services provider, and insurance premium finance company organized under the laws of
105.24 this state or required to be administered by the commissioner of commerce shall pay
105.25 into the state treasury its proportionate share of the cost of maintaining the Department
105.26 of Commerce.

105.27 Sec. 5. Minnesota Statutes 2008, section 325E.311, subdivision 6, is amended to read:

105.28 Subd. 6. **Telephone solicitation.** "Telephone solicitation" means any voice
105.29 communication over a telephone line for the purpose of encouraging the purchase or
105.30 rental of, or investment in, property, goods, or services, whether the communication is
105.31 made by a live operator, through the use of an automatic dialing-announcing device as
105.32 defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation
105.33 does not include communications:

106.1 (1) to any residential subscriber with that subscriber's prior express invitation or
106.2 permission; or

106.3 (2) by or on behalf of any person or entity with whom a residential subscriber has a
106.4 prior or current business or personal relationship.

106.5 Telephone solicitation also does not include communications if the caller is identified by a
106.6 caller identification service and the call is:

106.7 (i) by or on behalf of an organization that is identified as a nonprofit organization
106.8 under state or federal law, unless the organization is a debt management services provider
106.9 defined in section 332A.02 or a debt settlement services provider defined in section
106.10 332B.02;

106.11 (ii) by a person soliciting without the intent to complete, and who does not in
106.12 fact complete, the sales presentation during the call, but who will complete the sales
106.13 presentation at a later face-to-face meeting between the solicitor who makes the call
106.14 and the prospective purchaser; or

106.15 (iii) by a political party as defined under section 200.02, subdivision 6.

106.16 Sec. 6. Minnesota Statutes 2008, section 332A.02, is amended by adding a subdivision
106.17 to read:

106.18 Subd. 2a. **Advertise.** "Advertise" means to solicit business through any means or
106.19 medium.

106.20 Sec. 7. Minnesota Statutes 2008, section 332A.02, subdivision 5, is amended to read:

106.21 Subd. 5. **Controlling or affiliated party.** "Controlling or affiliated party" means
106.22 any person or entity that controls or is controlled, directly or indirectly ~~controlling,~~
106.23 ~~controlled by,~~ or is under common control with another person. Controlling or affiliated
106.24 party includes, but is not limited to, employees, officers, independent contractors,
106.25 corporations, partnerships, and limited liability corporations.

106.26 Sec. 8. Minnesota Statutes 2008, section 332A.02, is amended by adding a subdivision
106.27 to read:

106.28 Subd. 5a. **Creditor.** "Creditor" means any party:

106.29 (1) named by the debtor as a creditor in the debt management services plan or debt
106.30 management services agreement;

106.31 (2) that acquires or holds the debt; or

107.1 (3) to whom interactions with the debt management services is assigned in relation
107.2 to the debt listed in the debt management services plan or debt management services
107.3 agreement.

107.4 Sec. 9. Minnesota Statutes 2008, section 332A.02, subdivision 8, is amended to read:

107.5 Subd. 8. **Debt management services provider.** "Debt management services
107.6 provider" means any person offering or providing debt management services to a debtor
107.7 domiciled in this state, regardless of whether or not a fee is charged for the services and
107.8 regardless of whether the person maintains a physical presence in the state. This term
107.9 includes any person to whom duties under a debt management services agreement or
107.10 debt management services plan are delegated, and does not include services performed
107.11 by the following when engaged in the regular course of their respective businesses and
107.12 professions:

107.13 (1) attorneys at law, escrow agents, accountants, broker-dealers in securities;

107.14 (2) state or national banks, credit unions, trust companies, savings associations,
107.15 title insurance companies, insurance companies, and all other lending institutions duly
107.16 authorized to transact business in Minnesota, ~~provided no fee is charged for the service;~~

107.17 (3) persons who, as employees on a regular salary or wage of an employer not
107.18 engaged in the business of debt management, perform credit services for their employer;

107.19 (4) public officers acting in their official capacities and persons acting as a debt
107.20 management services provider pursuant to court order;

107.21 (5) any person while performing services incidental to the dissolution, winding up,
107.22 or liquidation of a partnership, corporation, or other business enterprise;

107.23 (6) the state, its political subdivisions, public agencies, and their employees;

107.24 (7) ~~credit unions and collection agencies, provided no fee is charged for the service~~
107.25 that the services are provided to a creditor;

107.26 (8) "qualified organizations" designated as representative payees for purposes of the
107.27 Social Security and Supplemental Security Income Representative Payee System and the
107.28 federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

107.29 (9) accelerated mortgage payment providers. "Accelerated mortgage payment
107.30 providers" are persons who, after satisfying the requirements of sections 332.30 to
107.31 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf
107.32 of mortgagors, in order to exceed regularly scheduled minimum payment obligations
107.33 under the terms of the indebtedness. The term does not include: (i) persons or entities
107.34 described in clauses (1) to (8); (ii) mortgage lenders or servicers, industrial loan and
107.35 thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to

108.1 make loans under section 47.20, subdivision 1. For purposes of this clause and sections
108.2 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever
108.3 is the current mortgage holder;

108.4 (10) trustees, guardians, and conservators; and

108.5 (11) debt settlement services providers.

108.6 Sec. 10. Minnesota Statutes 2008, section 332A.02, subdivision 9, is amended to read:

108.7 Subd. 9. **Debt management services.** "Debt management services" means the
108.8 provision of any ~~one or more of the following services in connection with debt incurred~~
108.9 ~~primarily for personal, family, or household services:~~

108.10 ~~(1) managing the financial affairs of an individual by distributing income or money~~
108.11 ~~to the individual's creditors;~~

108.12 ~~(2) receiving funds for the purpose of distributing the funds among creditors in~~
108.13 ~~payment or partial payment of obligations of a debtor; or~~

108.14 ~~(3) adjusting, prorating, pooling, or liquidating the indebtedness of a debtor whereby~~
108.15 a debt management services provider assists in managing the financial affairs of a debtor
108.16 by distributing periodic payments to the debtor's creditors from funds that the debt
108.17 management services provider receives from the debtor and where the primary purpose
108.18 of the services is to effect repayment of debt incurred primarily for personal, family, or
108.19 household services.

108.20 Any person so engaged or holding out as so engaged is deemed to be engaged in the
108.21 provision of debt management services regardless of whether or not a fee is charged for
108.22 such services.

108.23 Sec. 11. Minnesota Statutes 2008, section 332A.02, subdivision 10, is amended to read:

108.24 Subd. 10. **Debtor.** "Debtor" means the person for whom the debt ~~prorating service~~
108.25 ~~is~~ management services are performed.

108.26 Sec. 12. Minnesota Statutes 2008, section 332A.02, subdivision 13, is amended to read:

108.27 Subd. 13. **Debt settlement services provider.** "Debt settlement services provider"
108.28 ~~means any person engaging in or holding out as engaging in the business of negotiating,~~
108.29 ~~adjusting, or settling debt incurred primarily for personal, family, or household purposes~~
108.30 ~~without holding or receiving the debtor's funds or personal property and without paying~~
108.31 ~~the debtor's funds to, or distributing the debtor's property among, creditors~~ has the
108.32 meaning given in section 332B.02, subdivision 11. The term shall not include persons
108.33 ~~listed in subdivision 8, clauses (1) to (10).~~

Sec. 13. Minnesota Statutes 2008, section 332A.04, subdivision 6, is amended to read:

Subd. 6. **Right of action on bond.** If the registrant has failed to account to a debtor or distribute to the debtor's creditors the amounts required by this chapter ~~and~~, or has failed to perform any of the services promised in the debt management services agreement between the debtor and registrant, the registrant is in default. The debtor or the debtor's legal representative or receiver, the commissioner, or the attorney general, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given under this section, for loss suffered by the debtor, not exceeding the face amount of the bond or security, and without the necessity of joining the registrant in the suit or action based on the default.

Sec. 14. Minnesota Statutes 2008, section 332A.08, is amended to read:

332A.08 DENIAL OF REGISTRATION.

The commissioner, with notice to the applicant by certified mail sent to the address listed on the application, may deny an application for a registration upon finding that the applicant:

(1) has submitted an application required under section 332A.04 that contains incorrect, misleading, incomplete, or materially untrue information. An application is incomplete if it does not include all the information required in section 332A.04;

(2) has failed to pay any fee or pay or maintain any bond required by this chapter, or failed to comply with any order, decision, or finding of the commissioner made under and within the authority of this chapter;

(3) has violated any provision of this chapter or any rule or direction lawfully made by the commissioner under and within the authority of this chapter;

(4) or any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt management services or any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(5) has had a registration or license previously revoked or suspended in this state or any other state or the applicant or licensee has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the debt management services provider business; or any controlling or affiliated party has been an officer, director, manager, or shareholder

110.1 owning more than a ten percent interest in a debt management services provider whose
110.2 registration has previously been revoked or suspended in this state or any other state, or
110.3 who has been permanently or temporarily enjoined by any court of competent jurisdiction
110.4 from engaging in or continuing any conduct or practice involving any aspect of the debt
110.5 management services provider business;

110.6 (6) has made any false statement or representation to the commissioner;

110.7 (7) is insolvent;

110.8 (8) refuses to fully comply with an investigation or examination of the debt
110.9 management services provider by the commissioner;

110.10 (9) has improperly withheld, misappropriated, or converted any money or properties
110.11 received in the course of doing business;

110.12 (10) has failed to have a trust account with an actual cash balance equal to or greater
110.13 than the sum of the escrow balances of each debtor's account;

110.14 (11) has defaulted in making payments to creditors on behalf of debtors as required
110.15 by agreements between the provider and debtor; ~~or~~

110.16 (12) has used fraudulent, coercive, or dishonest practices, or demonstrated
110.17 incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere; or

110.18 (13) has been shown to have engaged in a pattern of failing to perform the services
110.19 promised.

110.20 Sec. 15. Minnesota Statutes 2008, section 332A.10, is amended to read:

110.21 **332A.10 WRITTEN DEBT MANAGEMENT SERVICES AGREEMENT.**

110.22 Subdivision 1. **Written agreement required.** (a) A debt management services
110.23 provider may not perform any debt management services or receive any money related
110.24 to a debt management services plan until the provider has obtained a debt management
110.25 services agreement that contains all terms of the agreement between the debt management
110.26 services provider and the debtor.

110.27 (b) A debt management services agreement must:

110.28 (1) be in writing, dated, and signed by the debt management services provider and
110.29 the debtor;

110.30 (2) conspicuously indicate whether or not the debt management services provider
110.31 is registered with the Minnesota Department of Commerce and include any registration
110.32 number; and

110.33 (3) be written in the debtor's primary language if the debt management services
110.34 provider advertised in that language.

111.1 (c) The registrant must furnish the debtor with a copy of the signed contract upon
111.2 execution.

111.3 Subd. 2. **Actions prior to written agreement.** No person may provide debt
111.4 management services for a debtor or execute a debt management services agreement
111.5 unless the person first has:

111.6 (1) provided the debtor individualized counseling and educational information
111.7 that, at a minimum, addresses managing household finances, managing credit and debt,
111.8 budgeting, and personal savings strategies;

111.9 (2) prepared in writing and provided to the debtor, in a form that the debtor may
111.10 keep, an individualized financial analysis and a proposed debt management services
111.11 plan listing the debtor's known debts with specific recommendations regarding actions
111.12 the debtor should take to reduce or eliminate the amount of the debts, including written
111.13 disclosure that debt management services are not suitable for all debtors and that there are
111.14 other ways, including bankruptcy, to deal with indebtedness;

111.15 (3) made a determination supported by an individualized financial analysis that the
111.16 debtor can reasonably meet the requirements of the proposed debt management services
111.17 plan and that there is a net tangible benefit to the debtor of entering into the proposed debt
111.18 management services plan; ~~and~~

111.19 (4) prepared, in a form the debtor may keep, a written list identifying all known
111.20 creditors of the debtor that the provider reasonably expects to participate in the plan
111.21 and the creditors, including secured creditors, that the provider reasonably expects not
111.22 to participate; and

111.23 (5) disclosed, in addition to the written disclosure on the agreement required under
111.24 subdivision 1, whether or not the debt management services provider is registered with the
111.25 Minnesota Department of Commerce and any registration number.

111.26 Subd. 3. **Required ~~terms~~ provisions.** (a) Each debt management services
111.27 agreement must contain the following ~~terms~~ provisions, which must be disclosed
111.28 prominently and clearly in bold print on the front page of the agreement, segregated by
111.29 bold lines from all other information on the page:

111.30 (1) the origination fee amount to be paid by the debtor and whether all or a portion
111.31 of the ~~initial~~ origination fee amount is refundable or nonrefundable;

111.32 (2) the monthly fee amount or percentage to be paid by the debtor; and

111.33 (3) the total amount of fees reasonably anticipated to be paid by the debtor over
111.34 the term of the agreement.

111.35 (b) Each debt management services agreement must also contain the following:

112.1 (1) a disclosure that if the amount of debt owed is increased by interest, late fees,
112.2 over the limit fees, and other amounts imposed by the creditors, the length of the debt
112.3 management services agreement will be extended and remain in force and that the total
112.4 dollar charges agreed upon may increase at the rate agreed upon in the original contract
112.5 agreement;

112.6 (2) a prominent statement describing the terms upon which the debtor may cancel
112.7 the contract as set forth in section 332A.11;

112.8 (3) a detailed description of all services to be performed by the debt management
112.9 services provider for the debtor;

112.10 (4) the debt management services provider's refund policy; and

112.11 (5) the debt management services provider's principal business address and the name
112.12 and address of its agent in this state authorized to receive service of process.

112.13 Subd. 4. **Prohibited terms.** The following terms shall not be included in the debt
112.14 management services agreement:

112.15 (1) a hold harmless clause;

112.16 (2) a confession of judgment, or a power of attorney to confess judgment against the
112.17 debtor or appear as the debtor in any judicial proceeding;

112.18 (3) a waiver of the right to a jury trial, if applicable, in any action brought by
112.19 or against a debtor;

112.20 (4) an assignment of or an order for payment of wages or other compensation for
112.21 services;

112.22 (5) a provision in which the debtor agrees not to assert any claim or defense arising
112.23 out of the debt management services agreement;

112.24 (6) a waiver of any provision of this chapter or a release of any obligation required
112.25 to be performed on the part of the debt management services provider; or

112.26 (7) a mandatory arbitration or choice of law clause.

112.27 Subd. 5. **New debt management services agreements; modification of existing**
112.28 **agreements.** (a) Separate and additional debt management services agreements that
112.29 comply with this chapter may be entered into by the debt management services provider
112.30 and the debtor provided that no additional ~~initial~~ origination fee may be charged by the
112.31 debt management services provider.

112.32 (b) Any modification of an existing debt management services agreement, including
112.33 any increase in the number or amount of debts included in the debt management ~~service~~
112.34 services agreement, must be in writing and signed by both parties, except that the signature
112.35 of the debtor is not required if:

(1) a creditor is added to or deleted from a debt management services agreement at the request of the debtor or a debtor voluntarily increases the amount of a payment, provided the debt management services provider must provide an updated payment schedule to the debtor within seven days; or

(2) the payment amount to a creditor in the agreement increases by \$10 or less and the total payment amount to all creditors increases a total of \$20 or less as a result of incorrect or incomplete information provided by the debtor regarding the amount of debt owed a creditor, provided the debt management services provider must notify the debtor of the increase within seven days.

No fees, charges, or other consideration may be demanded from the debtor for the modification, other than an increase in the amount of the monthly maintenance fee established in the original debt management services agreement.

Sec. 16. Minnesota Statutes 2008, section 332A.11, subdivision 2, is amended to read:

Subd. 2. **Notice of debtor's right to cancel.** A debt management services agreement must contain, on its face, in an easily readable ~~typeface~~ type immediately adjacent to the space for signature by the debtor, the following notice: "Right To Cancel: You have the right to cancel this contract at any time on ten days' written notice."

Sec. 17. Minnesota Statutes 2008, section 332A.14, is amended to read:

332A.14 PROHIBITIONS.

~~A registrant~~ (a) No debt management services provider shall not:

(1) purchase from a creditor any obligation of a debtor;

(2) use, threaten to use, seek to have used, or seek to have threatened the use of any legal process, including but not limited to garnishment and repossession of personal property, against any debtor while the debt management services agreement between the registrant and the debtor remains executory;

(3) advise, counsel, or encourage a debtor to stop paying a creditor ~~until a debt management services plan is in place~~, or imply, infer, encourage, or in any other way indicate, that it is advisable to stop paying a creditor;

(4) sanction or condone the act by a debtor of ceasing payments or imply, infer, or in any manner indicate that the act of ceasing payments is advisable or beneficial to the debtor;

~~(4)~~ (5) require as a condition of performing debt management services the purchase of any services, stock, insurance, commodity, or other property or any interest therein either by the debtor or the registrant;

114.1 ~~(5)~~ (6) compromise any debts unless the prior written approval of the debtor has
114.2 been obtained to such compromise and unless such compromise inures solely to the
114.3 benefit of the debtor;

114.4 ~~(6)~~ (7) receive from any debtor as security or in payment of any fee a promissory
114.5 note or other promise to pay or any mortgage or other security, whether as to real or
114.6 personal property;

114.7 ~~(7)~~ (8) lend money or provide credit to any debtor if any interest or fee is charged,
114.8 or directly or indirectly collect any fee for referring, advising, procuring, arranging, or
114.9 assisting a consumer in obtaining any extension of credit or other debtor service from a
114.10 lender or debt management services provider;

114.11 ~~(8)~~ (9) structure a debt management services agreement that would result in negative
114.12 amortization of any debt in the plan;

114.13 ~~(9)~~ (10) engage in any unfair, deceptive, or unconscionable act or practice in
114.14 connection with any service provided to any debtor;

114.15 ~~(10)~~ (11) offer, pay, or give any material cash fee, gift, bonus, premium, reward, or
114.16 other compensation to any person for referring any prospective customer to the registrant
114.17 or for enrolling a debtor in a debt management services plan, or provide any other
114.18 incentives for employees or agents of the debt management services provider to induce
114.19 debtors to enter into a debt management services plan;

114.20 ~~(11)~~ (12) receive any cash, fee, gift, bonus, premium, reward, or other compensation
114.21 from any person other than the debtor or a person on the debtor's behalf in connection
114.22 with activities as a registrant, provided that this paragraph does not apply to a registrant
114.23 which is a bona fide nonprofit corporation duly organized under chapter 317A or under
114.24 the similar laws of another state;

114.25 ~~(12)~~ (13) enter into a contract with a debtor unless a thorough written budget analysis
114.26 indicates that the debtor can reasonably meet the requirements of the financial adjustment
114.27 plan and will be benefited by the plan;

114.28 ~~(13)~~ (14) in any way charge or purport to charge or provide any debtor credit
114.29 insurance in conjunction with any contract or agreement involved in the debt management
114.30 services plan;

114.31 ~~(14)~~ (15) operate or employ a person who is an employee or owner of a collection
114.32 agency or process-serving business; or

114.33 ~~(15)~~ (16) solicit, demand, collect, require, or attempt to require payment of a sum
114.34 that the registrant states, discloses, or advertises to be a voluntary contribution to a debt
114.35 management services provider or designee from the debtor.

Sec. 18. **[332B.02] DEFINITIONS.**

Subdivision 1. **Scope.** Unless a different meaning is clearly indicated by the context, for the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Advertise.** "Advertise" means to solicit business through any means or medium.

Subd. 3. **Aggregate debt.** "Aggregate debt" means the total of principal and interest that is owed by the debtor to the creditors at the time of execution of the debt settlement agreement.

Subd. 4. **Attorney general.** "Attorney general" means the attorney general of the state of Minnesota.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 6. **Controlling or affiliated party.** "Controlling or affiliated party" means any person or entity that controls or is controlled, directly or indirectly, or is under common control with another person. Controlling or affiliated party includes, but is not limited to, employees, officers, independent contractors, corporations, partnerships, and limited liability corporations.

Subd. 7. **Creditor.** "Creditor" means any party:

(1) named by the debtor as a creditor in the debt settlement services plan or debt settlement services agreement;

(2) that acquires or holds the debt; or

(3) to whom interactions with the debt settlement services is assigned in relation to the debt listed in the debt settlement services plan or debt settlement services agreement.

Subd. 8. **Debt settlement services.** "Debt settlement services" means any one or more of the following activities:

(1) offering to provide advice, or offering to act or acting as an intermediary between a debtor and one or more of the debtor's creditors, where the primary purpose of the advice or action is to obtain a settlement for less than the full amount of debt, whether in principal, interest, fees, or other charges, incurred primarily for personal, family, or household purposes including, but not limited to, offering debt negotiation, debt reduction, or debt relief services; or

(2) advising, encouraging, assisting, or counseling a debtor to accumulate funds in an account for future payment of a reduced amount of debt to one or more of the debtor's creditors.

116.1 Any person so engaged or holding out as so engaged is deemed to be engaged in
116.2 the provision of debt settlement services, regardless of whether or not a fee is charged for
116.3 such services.

116.4 Subd. 9. **Debt settlement services agreement.** "Debt settlement services
116.5 agreement" means the written contract between the debt settlement services provider
116.6 and the debtor.

116.7 Subd. 10. **Debt settlement services plan.** "Debt settlement services plan" means
116.8 the debtor's individualized package of debt settlement services set forth in the debt
116.9 settlement services agreement.

116.10 Subd. 11. **Debt settlement services provider.** "Debt settlement services provider"
116.11 means any person offering or providing debt settlement services to a debtor domiciled
116.12 in this state, regardless of whether or not a fee is charged for the services and regardless
116.13 of whether the person maintains a physical presence in the state. The term includes any
116.14 person to whom duties under a debt management agreement or debt management plan are
116.15 delegated, a lead generator, or any other person acting as an intermediary or referral agent
116.16 between a debtor and an entity actually providing debt settlement services. The term shall
116.17 not include persons listed in section 332A.02, subdivision 8, clauses (1) to (10).

116.18 Subd. 12. **Lead generator.** "Lead generator" means a person that solicits debtors
116.19 to engage in debt settlement through mail, in-person, or electronic Web site-based
116.20 solicitation or any other means.

116.21 Subd. 13. **Person.** "Person" means an individual, firm, partnership, association,
116.22 or corporation.

116.23 Subd. 14. **Registrant.** "Registrant" means any person registered by the
116.24 commissioner pursuant to this chapter and, where used in conjunction with an act or
116.25 omission required or prohibited by this chapter, shall mean any person performing debt
116.26 settlement services.

116.27 **Sec. 19. [332B.03] REQUIREMENT OF REGISTRATION.**

116.28 On or after August 1, 2009, it is unlawful for any person, whether or not located
116.29 in this state, to operate as a debt settlement services provider or provide debt settlement
116.30 services including, but not limited to, offering, advertising, or executing or causing to be
116.31 executed any debt settlement services or debt settlement services agreement, except as
116.32 authorized by law, without first becoming registered as provided in this chapter. Debt
116.33 settlement services providers may continue to provide debt settlement services without
116.34 complying with this chapter to those debtors who entered into a contract to participate
116.35 in a debt settlement services plan prior to August 1, 2009, but may not enter into a debt

117.1 settlement services agreement with a debt on or after August 1, 2009, without complying
117.2 with this chapter.

117.3 Sec. 20. **[332B.04] REGISTRATION.**

117.4 Subdivision 1. **Form.** Application for registration to operate as a debt settlement
117.5 services provider in this state must be made in writing to the commissioner, under oath, in
117.6 the form prescribed by the commissioner, and must contain:

117.7 (1) the full name of each principal of the entity applying;

117.8 (2) the address, which must not be a post office box, and the telephone number and,
117.9 if applicable, the e-mail address, of the applicant;

117.10 (3) consent to the jurisdiction of the courts of this state;

117.11 (4) the name and address of the registered agent authorized to accept service of
117.12 process on behalf of the applicant or appointment of the commissioner as the applicant's
117.13 agent for purposes of accepting service of process;

117.14 (5) disclosure of:

117.15 (i) whether any controlling or affiliated party has ever been convicted of a crime
117.16 or found civilly liable for an offense involving moral turpitude, including forgery,
117.17 embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to
117.18 defraud, or any other similar offense or violation, or any violation of a federal or state
117.19 law or regulation in connection with activities relating to the rendition of debt settlement
117.20 services or involving any consumer fraud, false advertising, deceptive trade practices, or
117.21 similar consumer protection law;

117.22 (ii) any judgments, private or public litigation, tax liens, written complaints,
117.23 administrative actions, or investigations by any government agency against the applicant
117.24 or any officer, director, manager, or shareholder owning more than five percent interest
117.25 in the applicant, unresolved or otherwise, filed or otherwise commenced within the
117.26 preceding ten years;

117.27 (iii) whether the applicant or any person employed by the applicant has had a record
117.28 of having defaulted in the payment of money collected for others, including the discharge
117.29 of debts through bankruptcy proceedings; and

117.30 (iv) whether the applicant's license or registration to provide debt settlement services
117.31 in any other state has ever been revoked or suspended;

117.32 (6) a copy of the applicant's standard debt settlement services agreement that the
117.33 applicant intends to execute with debtors;

117.34 (7) proof of accreditation; and

117.35 (8) any other information and material as the commissioner may require.

The commissioner may, for good cause shown, temporarily waive any requirement of this subdivision.

Subd. 2. Term and scope of registration. A registration is effective until 11:59 p.m. on December 31 of the year for which the application for registration is filed or until it is surrendered by the registrant or revoked or suspended by the commissioner. The registration is limited solely to the business of providing debt settlement services.

Subd. 3. Fees; bond. An applicant for registration as a debt settlement services provider must comply with the requirements of section 332A.04, subdivisions 3, 4, and 5.

Subd. 4. Right of action on bond. If the registrant has failed to account to a debtor, or has failed to perform any of the services promised, the registrant is in default. The debtor or the debtor's legal representative or receiver, the commissioner, or the attorney general, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given under this section, for loss suffered by the debtor, not exceeding the face amount of the bond or security, and without the necessity of joining the registrant in the suit or action based on the default.

Subd. 5. Registrant list. The commissioner must maintain a list of registered debt settlement services providers. The list must be made available to the public in written form upon request and on the Department of Commerce Web site.

Subd. 6. Renewal of registration. Each year, each registrant under the provisions of this chapter must not, more than 60 nor less than 30 days before its registration is to expire, apply to the commissioner for renewal of its registration on a form prescribed by the commissioner. The application must be signed by the registrant under penalty of perjury, contain current information on all matters required in the original application, and be accompanied by a payment of \$250. The registrant must maintain a continuous surety bond that satisfies the requirements of section 332A.04, subdivision 4. The renewal is effective for one year. The commissioner may, for good cause shown, temporarily waive any requirement of this section.

Sec. 21. [332B.05] DENIAL, SUSPENSION, REVOCATION, OR NONRENEWAL OF REGISTRATION.

Subdivision 1. Denial. The commissioner, with notice to the applicant by certified mail sent to the address listed on the application, may deny an application for a registration for any of the reasons specified under section 332A.08.

Subd. 2. Suspension, revocation, or nonrenewal. The commissioner may suspend, revoke, or refuse to renew any registration issued under this chapter, or may levy a civil penalty under section 45.027, or any combination of actions, if the debt settlement services

provider or any controlling or affiliated person has committed any act or omission for which the commissioner could have refused to issue an initial registration.

Subd. 3. **Procedure.** Suspension, revocation, or nonrenewal must be upon notice and under the conditions prescribed in section 332A.09, subdivision 1. Upon issuance of an order suspending, revoking, or refusing to renew a registration, the commissioner:

- (1) shall follow the procedure established in section 332A.09, subdivision 2; and
- (2) may follow the procedure specified in section 332A.09, subdivision 3, concerning the appointment of a receiver for funds of sanctioned registrants.

Sec. 22. **[332B.06] WRITTEN DEBT SETTLEMENT SERVICES AGREEMENT; DISCLOSURES; TRUST ACCOUNT.**

Subdivision 1. **Written agreement required.** (a) A debt settlement services provider may not perform, or impose any charges or receive any payment for, any debt settlement services until the provider and the debtor have executed a debt settlement services agreement that contains all terms of the agreement between the debt settlement services provider and the debtor and complies with all the applicable requirements of this chapter.

(b) A debt settlement services agreement must:

- (1) be in writing, dated, and signed by the debt settlement services provider and the debtor;
- (2) conspicuously indicate whether or not the debt settlement services provider is registered with the Minnesota Department of Commerce and include any registration number; and
- (3) be written in the debtor's primary language if the debt settlement services provider advertises in that language.

(c) The registrant must furnish the debtor with a copy of the signed contract upon execution.

Subd. 2. **Actions prior to executing a written agreement.** No person may provide debt settlement services for a debtor or execute a debt settlement services agreement unless the person first has:

- (1) provided the debtor individualized counseling that, at a minimum, addresses managing household finances, managing credit and debt, budgeting, personal savings strategies, and a detailed description of all the various ways to reduce or eliminate the debt, which must, at a minimum, include bankruptcy; and
- (2) prepared in writing and provided to the debtor, in a form the debtor may keep, an individualized financial analysis of the debtor's financial circumstances, including

120.1 income and liabilities, and made a determination supported by the individualized financial
120.2 analysis that:

120.3 (i) the debt settlement plan proposed for addressing the debt is suitable for the
120.4 individual debtor;

120.5 (ii) the debtor can reasonably meet the requirements of the proposed debt settlement
120.6 services plan; and

120.7 (iii) there is a net tangible benefit to the debtor of entering into the proposed debt
120.8 settlement services plan.

120.9 **Subd. 3. Determination concerning creditor participation.** (a) Before executing a
120.10 debt settlement services agreement or providing any services, a debt settlement services
120.11 provider must make a determination, supported by sufficient bases, which creditors listed
120.12 by the debtor are reasonably likely, and which are not reasonably likely, to participate in
120.13 the debt settlement services plan set forth in the debt settlement services agreement.

120.14 (b) A debt settlement provider must make personal or written contact with a creditor
120.15 to determine the reasonable likelihood of participation or nonparticipation of the creditor,
120.16 unless the debt settlement services provider:

120.17 (1) has written confirmation from the creditor that the creditor and the debt
120.18 settlement services provider are currently engaged in negotiations to settle a debt for
120.19 another debtor; or

120.20 (2) can produce evidence that the provider and the creditor have entered into a
120.21 settlement of a debt within the prior six months.

120.22 (c) A debt settlement services provider has a defense against a claim that no
120.23 sufficient basis existed to make a determination that a creditor was likely to participate if,
120.24 at the time the determination was made, the debt settlement services provider can produce:

120.25 (1) written confirmation from the creditor that the creditor and the debt settlement
120.26 services provider were currently engaged in negotiations to settle a debt for another
120.27 debtor; or

120.28 (2) evidence that the provider and the creditor had entered into a settlement of a debt
120.29 within the six months prior to the date of the determination.

120.30 (d) The debt settlement services provider must notify the debtor as soon as
120.31 practicable after the provider has made a determination on the likelihood of participation
120.32 or nonparticipation of all the creditors listed for inclusion in the debt settlement services
120.33 agreement or debt settlement services plan. If not all creditors listed in the debt settlement
120.34 services agreement are reasonably likely to participate in the debt settlement services
120.35 plan, the debt settlement services provider must obtain the written authorization from the

debtor to proceed with the debt settlement services agreement without the participation of all listed creditors.

Subd. 4. **Disclosures.** (a) A person offering to provide or providing debt settlement services must disclose both orally and in writing whether or not the person is registered with the Minnesota Department of Commerce and any registration number.

(b) No person may provide debt settlement services unless the person first has provided, both orally and in writing, on a single sheet of paper, separate from any other document or writing, the following verbatim notice:

WARNING

We CANNOT GUARANTEE that you will successfully reduce or eliminate your debt.

If you stop paying your creditors, there is a strong likelihood some or all of the following may happen:

- (1) YOUR WAGES OR BANK ACCOUNT MAY STILL BE GARNISHED.
- (2) YOU MAY STILL BE CONTACTED BY CREDITORS.
- (3) YOU MAY STILL BE SUED BY CREDITORS for the money you owe.
- (4) FEES, INTEREST, AND OTHER CHARGES WILL CONTINUE TO MOUNT UP DURING THE (INSERT NUMBER) MONTHS THIS PLAN IS IN EFFECT.

Even if we do settle your debt, YOU MAY STILL HAVE TO PAY TAXES on the amount forgiven.

Your credit rating may be adversely affected.

(c) The heading, "WARNING," must be in bold, underlined, 28-point type, and the remaining text must be in 14-point type, with a double space between each statement.

(d) The disclosure and notice required under this subdivision must be provided in the debtor's primary language if the debt settlement provider advertises in that language.

Subd. 5. **Required information.** (a) Each debt settlement services agreement must contain the following information, which must be disclosed prominently and clearly in bold print on the front page of the agreement, segregated by bold lines from all other information on the page:

(1) the origination fee amount to be paid by the debtor and whether all or part of the origination fee is refundable or nonrefundable; and

(2) the service fee formula and the total amount of service fees reasonably anticipated to be paid by the debtor over the term of the agreement.

(b) Each debt settlement services agreement must also contain the following:

(1) a prominent statement describing the terms upon which the debtor may cancel the contract as set forth in section 332B.07;

122.1 (2) a detailed description of all services to be performed by the debt settlement
122.2 services provider for the debtor;

122.3 (3) the debt settlement services provider's refund policy;

122.4 (4) the debt settlement services provider's principal business address, which must
122.5 not be a post office box, and the name and address of its agent in this state authorized to
122.6 receive service of process; and

122.7 (5) the name of each creditor the debtor has listed and the aggregate debt owed to
122.8 each creditor that will be the subject of settlement.

122.9 Subd. 6. **Prohibited terms.** A debt settlement services agreement may not contain
122.10 any of the terms prohibited under section 332A.10, subdivision 4.

122.11 Subd. 7. **New debt settlement services agreements; modifications of existing**
122.12 **agreements.** (a) Separate and additional debt settlement services agreements that comply
122.13 with this chapter may be entered into by the debt settlement services provider and the
122.14 debtor, provided that no additional origination fee may be charged by the debt settlement
122.15 services provider.

122.16 (b) Any modification of an existing debt settlement services agreement, including
122.17 any increase in the number or amount of debts included in the debt settlement services
122.18 agreement, must be in writing and signed by both parties. No fee may be charged to
122.19 modify an existing agreement.

122.20 Subd. 8. **Funds held in trust.** Debtor funds may be temporarily held in trust for the
122.21 purpose of writing exchange checks. If the registrant temporarily holds debtor funds, the
122.22 registrant must maintain a separate trust account, except that the registrant may commingle
122.23 debtor funds with the registrant's own funds, in the form of an interest fund, to the extent
122.24 necessary to ensure maintenance of a minimum balance, if the financial institution at
122.25 which the trust account is held requires a minimum balance to avoid the assessment of
122.26 fees or penalties for failure to maintain a minimum balance.

122.27 Sec. 23. **[332B.07] RIGHT TO CANCEL.**

122.28 Subdivision 1. **Debtor's right to cancel.** (a) A debtor has the right to cancel a debt
122.29 settlement services agreement without cause at any time upon ten days' written notice
122.30 to the debt settlement services provider.

122.31 (b) In the event of cancellation, the debt settlement services provider must, within
122.32 ten days of the cancellation, notify the debtor's creditors of the cancellation and provide
122.33 a refund of all funds paid by or for the debtor to the debt settlement services provider,
122.34 except for the origination fee specified in section 332B.09, subdivision 1.

Subd. 2. **Notice of debtor's right to cancel.** A debt settlement services agreement must contain, on its face, in an easily readable type immediately adjacent to the space for signature by the debtor, the following notice: "Right to Cancel: You have the right to cancel this contract at any time on ten days' written notice."

Subd. 3. **Automatic termination.** Upon the payment of all listed or settled debts and fees, the debt settlement services agreement must automatically terminate, and all unexpended funds paid by or for the debtor to the debt settlement services provider must be immediately returned to the debtor.

Subd. 4. **Debt settlement services provider's right to cancel.** (a) A debt settlement services provider may cancel a debt settlement services agreement with good cause upon 30 days' written notice to the debtor.

(b) Within ten days after the cancellation, the debt settlement services provider must:
(1) notify the debtor's creditors of the cancellation; and
(2) return to the debtor all funds paid by or for the debtor to the debt settlement provider, except for the origination fee specified in section 332B.09, subdivision 1.

Sec. 24. **[332B.08] BOOKS, RECORDS, AND INFORMATION.**

Subdivision 1. **Records retention; annual report.** Every registrant must keep, and use in the registrant's business, such books, accounts, and records, including electronic records, as will enable the commissioner to determine whether the registrant is complying with this chapter and the rules, orders, and directives adopted by the commissioner under this chapter. Every registrant must preserve such books, accounts, and records for at least six years after making the final entry on any transaction recorded therein. Examinations of the books, records, and method of operations conducted under the supervision of the commissioner shall be done at the cost of the registrant. The cost must be assessed as determined under section 46.131.

Subd. 2. **Annual report.** On or before March 15 of each calendar year, each registrant must file a report with the commissioner containing such information as the commissioner may require about the preceding calendar year. The report must be in a form the commissioner prescribes.

Subd. 3. **Statements to debtors.** (a) Each registrant must:
(1) maintain and make available records and accounts that will enable each debtor to ascertain the amounts paid to the creditors of the debtor. A statement showing amounts received from the debtor, disbursements to each creditor, amounts that any creditor has agreed to as payment in full for any debt owed the creditor by the debtor, charges deducted by the registrant, and other information as the commissioner may prescribe, must be

124.1 furnished by the registrant to the debtor at least monthly and, in addition, upon any
124.2 cancellation or termination of the contract;

124.3 (2) include in the statement furnished to debtors a list of all activities conducted
124.4 pursuant to the contract, including the number and description of communications with
124.5 each creditor during the reporting period; and

124.6 (3) prepare and retain in the file of each debtor a written analysis of the debtor's
124.7 income and expenses to substantiate that the plan of payment is feasible and practicable.

124.8 (b) Each debtor must have reasonable access, without cost, by electronic or other
124.9 means, to information in the registrant's files applicable to the debtor. These statements,
124.10 records, and accounts must otherwise remain confidential, except for duly authorized
124.11 state and government officials, the commissioner, the attorney general, the debtor, and
124.12 the debtor's representative and designees.

124.13 Sec. 25. **[332B.09] FEES; WITHDRAWAL OF CREDITORS.**

124.14 Subdivision 1. **Origination fee.** A debt settlement services provider may charge a
124.15 nonrefundable origination fee of not more than \$500.

124.16 Subd. 2. **Monthly fee.** In addition to the origination fee under subdivision 1, a debt
124.17 settlement services provider may, beginning in the fourth month after the execution of the
124.18 debt settlement services agreement, charge a monthly fee of up to \$50:

124.19 (1) for the first two years that the debt settlement services agreement is in effect if
124.20 the aggregate debt is \$20,000 or less; or

124.21 (2) for the first three years that the debt settlement services agreement is in effect if
124.22 the aggregate debt is more than \$20,000.

124.23 Subd. 3. **Settlement fee.** (a) A debt settlement services provider may charge a
124.24 settlement fee equal to ten percent of the savings actually negotiated by the debt settlement
124.25 services provider. The savings shall be calculated as the difference between the aggregate
124.26 debt that is stated in the debt settlement services agreement at the time of its execution
124.27 and total amount that the debtor actually pays to settle all the debts stated in the debt
124.28 settlement services agreement, provided that only savings resulting from concessions
124.29 actually negotiated by the debt settlement services provider may be counted.

124.30 (b) If a written offer of settlement is made by a creditor but rejected by the debtor,
124.31 a debt settlement services provider may charge a settlement fee equal to ten percent of
124.32 the potential savings. The potential savings shall be calculated as the difference between
124.33 the aggregate debt that is stated in the debt settlement services agreement at the time of
124.34 its execution and written settlement offer from the creditor, provided that only savings

125.1 resulting from proposed concessions actually negotiated by the debt settlement services
125.2 provider may be counted.

125.3 (c) No other fees may be charged.

125.4 Subd. 4. **Collection of fees.** No debt settlement services provider may claim,
125.5 demand, charge, collect, or receive any compensation until after the debt settlement
125.6 service provider has fully performed each and every service the provider has contracted to
125.7 perform or represented would be performed or as otherwise provided in this section.

125.8 Subd. 5. **Withdrawal of creditor.** Whenever a creditor withdraws from a debt
125.9 settlement services plan, the debt settlement services provider must promptly notify the
125.10 debtor of the withdrawal, identify the creditor, and inform the debtor of the right to cancel
125.11 the debt settlement services agreement. In no case may this notice be provided more
125.12 than 15 days after the debt settlement services provider learns of the creditor's decision
125.13 to withdraw from a plan.

125.14 Subd. 6. **Timely notification of settlement.** A debt settlement services provider
125.15 must notify the debtor within 24 hours of settlement of a debt with a creditor.

125.16 Sec. 26. **[332B.10] PROHIBITIONS.**

125.17 No debt settlement services provider shall:

125.18 (1) engage in any activity, act, or omission prohibited under section 332A.14;

125.19 (2) promise, guarantee, or directly or indirectly imply, infer, or in any manner
125.20 represent that any debt will be settled prior to the presentation to the debtor of an offer by
125.21 the creditors participating in the debt settlement plan to settle;

125.22 (3) misrepresent the timing of negotiations with creditors;

125.23 (4) imply, infer, or in any manner represent that:

125.24 (i) fees, interest, and other charges will not continue to accrue prior to the time
125.25 debts are settled;

125.26 (ii) wages or bank accounts are not subject to garnishment;

125.27 (iii) creditors will not continue to contact the debtor;

125.28 (iv) the debtor is not subject to legal action; and

125.29 (v) the debtor will not be subject to tax consequences for the portion of any debts
125.30 forgiven;

125.31 (5) execute a power of attorney or any other agreement, oral or written, express
125.32 or implied, that extinguishes or limits the debtor's right at any time to contract or
125.33 communicate with any creditor or the creditor's right at any time to communicate with
125.34 the debtor;

(6) exercise or attempt to exercise a power of attorney after an individual has terminated an agreement;

(7) state, imply, infer, or, in any other manner, indicate that entering into a debt settlement services agreement or settling debts will either have no effect on, or improve, the debtor's credit, credit rating, and credit score;

(8) challenge a debt without the written consent of the debtor;

(9) make any false or misleading claim regarding a creditor's right to collect a debt;

(10) falsely represent that the debt settlement services provider can negotiate better settlement terms with a creditor than the debtor alone can negotiate;

(11) provide or offer to provide legal advice or legal services unless the person providing or offering to provide legal advice is licensed to practice law in the state;

(12) misrepresent that it is authorized or competent to furnish legal advice or perform legal services; and

(13) settle a debt or lead an individual to believe that a payment to a creditor is in settlement of a debt to the creditor unless, at the time of settlement, the individual receives a certification from the creditor that the payment is in full settlement of the debt.

Sec. 27. **[332B.11] ADVERTISEMENT OF DEBT SETTLEMENT SERVICES PLAN.**

No debt settlement services provider may engage in any activity proscribed by section 332A.16, or represent, claim, imply, or infer that secured debts may be settled.

Sec. 28. **[332B.12] DEBT SETTLEMENT SERVICES AGREEMENT RESCISSION.**

Any debtor has the right to rescind any debt settlement services agreement with a debt settlement services provider that commits a material violation of this chapter. On rescission, all fees paid to the debt settlement services provider or any other person other than creditors of the debtor must be returned to the debtor entering into the debt settlement services agreement within ten days of rescission of the debt settlement services agreement.

Sec. 29. **[332B.13] ENFORCEMENT; REMEDIES.**

Subdivision 1. **Violation as deceptive practice.** A violation of any of the provisions of this chapter is considered an unfair or deceptive trade practice under section 8.31, subdivision 1. A private right of action under section 8.31 by an aggrieved debtor is in the public interest.

Subd. 2. **Private right of action.** (a) A debt settlement provider who fails to comply with any of the provisions of this chapter is liable under this section in an individual action for the sum of:

(1) actual, incidental, and consequential damages sustained by the debtor as a result of the failure; and

(2) statutory damages of up to \$5,000.

(b) A debt settlement provider who fails to comply with any of the provisions of this chapter is liable to the named plaintiffs under this section in a class action for the amount that each named plaintiff could recover under paragraph (a), clause (1), and to the other class members for such amount as the court may allow.

(c) In determining the amount of statutory damages, the court shall consider, among other relevant factors:

(1) the frequency, nature, and persistence of noncompliance;

(2) the extent to which the noncompliance was intentional; and

(3) in the case of a class action, the number of debtors adversely affected.

(d) A plaintiff or class successful in a legal or equitable action under this section is entitled to the costs of the action, plus reasonable attorney fees.

Subd. 3. **Injunctive relief.** A debtor may sue a debt settlement services provider for temporary or permanent injunctive or other appropriate equitable relief to prevent violations of any provision of this chapter. A court must grant injunctive relief on a showing that the debt settlement services provider has violated any provision of this chapter, or in the case of a temporary injunction, on a showing that the debtor is likely to prevail on allegations that the debt settlement services provider violated any provision of this chapter.

Subd. 4. **Remedies cumulative.** The remedies provided in this section are cumulative and do not restrict any remedy that is otherwise available. The provisions of this chapter are not exclusive and are in addition to any other requirements, rights, remedies, and penalties provided by law.

Subd. 5. **Public enforcement.** The attorney general shall enforce this chapter under section 8.31.

Sec. 30. **[332B.14] INVESTIGATIONS.**

At any reasonable time, the commissioner may examine the books and records of every registrant and of any person engaged in the business of providing debt settlement services. The commissioner, once during any calendar year, may require the submission of an audit prepared by a certified public accountant of the books and records of each

128.1 registrant. If the registrant has, within one year previous to the commissioner's demand,
128.2 had an audit prepared for some other purpose, this audit may be submitted to satisfy the
128.3 requirement of this section. The commissioner may investigate any complaint concerning
128.4 violations of this chapter and may require the attendance and sworn testimony of witnesses
128.5 and the production of documents.

128.6 **ARTICLE 8**

128.7 **MISCELLANEOUS PROVISIONS**

128.8 Section 1. **[1.1499] STATE SPORT.**

128.9 Ice hockey is adopted as the official sport of the state of Minnesota.

128.10 Sec. 2. Minnesota Statutes 2008, section 45.027, subdivision 1, is amended to read:

128.11 Subdivision 1. **General powers.** In connection with the duties and responsibilities
128.12 entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner
128.13 of commerce may:

128.14 (1) make public or private investigations within or without this state as the
128.15 commissioner considers necessary to determine whether any person has violated or is
128.16 about to violate any law, rule, or order related to the duties and responsibilities entrusted
128.17 to the commissioner;

128.18 (2) require or permit any person to file a statement in writing, under oath or otherwise
128.19 as the commissioner determines, as to all the facts and circumstances concerning the
128.20 matter being investigated;

128.21 (3) hold hearings, upon reasonable notice, in respect to any matter arising out of the
128.22 duties and responsibilities entrusted to the commissioner;

128.23 (4) conduct investigations and hold hearings for the purpose of compiling
128.24 information related to the duties and responsibilities entrusted to the commissioner;

128.25 (5) examine the books, accounts, records, and files of every licensee, and of every
128.26 person who is engaged in any activity regulated; the commissioner or a designated
128.27 representative shall have free access during normal business hours to the offices and
128.28 places of business of the person, and to all books, accounts, papers, records, files, safes,
128.29 and vaults maintained in the place of business;

128.30 (6) publish information which is contained in any order issued by the commissioner;
128.31 ~~and~~

128.32 (7) require any person subject to duties and responsibilities entrusted to the
128.33 commissioner, to report all sales or transactions that are regulated. The reports must
128.34 be made within ten days after the commissioner has ordered the report. The report is

129.1 accessible only to the respondent and other governmental agencies unless otherwise
129.2 ordered by a court of competent jurisdiction; and

129.3 (8) assess a licensee the necessary expenses of the investigation performed by the
129.4 department when an investigation is made by order of the commissioner. The cost of the
129.5 investigation shall be determined by the commissioner and is based on the salary cost
129.6 of investigators or assistants and at an average rate per day or fraction thereof so as to
129.7 provide for the total cost of the investigations. All money collected must be deposited into
129.8 the general fund. A natural person licensed under chapter 60K or 82 shall not be charged
129.9 costs of an investigation if the investigation results in no finding of a violation.

129.10 Sec. 3. Minnesota Statutes 2008, section 115C.08, subdivision 4, is amended to read:

129.11 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

129.12 (1) to administer the petroleum tank release cleanup program established in this
129.13 chapter;

129.14 (2) for agency administrative costs under sections 116.46 to 116.50, sections
129.15 115C.03 to 115C.06, and costs of corrective action taken by the agency under section
129.16 115C.03, including investigations;

129.17 (3) for costs of recovering expenses of corrective actions under section 115C.04;

129.18 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

129.19 (5) for agency administrative costs of enforcing rules governing the construction,
129.20 installation, operation, and closure of aboveground and underground petroleum storage
129.21 tanks;

129.22 (6) for reimbursement of the environmental response, compensation, and compliance
129.23 account under subdivision 5 and section 115B.26, subdivision 4;

129.24 (7) for administrative and staff costs as set by the board to administer the petroleum
129.25 tank release program established in this chapter;

129.26 (8) for corrective action performance audits under section 115C.093;

129.27 (9) for contamination cleanup grants, as provided in paragraph (c); and

129.28 (10) to assess and remove abandoned underground storage tanks under section
129.29 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor
129.30 services costs necessary to complete the tank removal project, including, but not limited
129.31 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an
129.32 excavation report.

129.33 (b) Except as provided in paragraph (c), money in the fund is appropriated to the
129.34 board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$180,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 4. Minnesota Statutes 2008, section 116J.035, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The commissioner may:

(1) apply for, receive, and expend money from municipal, county, regional, and other government agencies;

(2) apply for, accept, and disburse grants and other aids from other public or private sources;

(3) contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(4) enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(5) distribute informational material at no cost to the public upon reasonable request; and

(6) enter into contracts necessary for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government; educational institutions, including the University of Minnesota. Contracts made pursuant to this section shall not be subject to the competitive bidding requirements of chapter 16C.

(b) The commissioner may apply for, receive, and expend money made available from federal or other sources for the purpose of carrying out the duties and responsibilities of the commissioner pursuant to this chapter.

(c) All moneys received by the commissioner pursuant to this chapter shall be deposited in the state treasury and, subject to section 3.3005, are appropriated to the commissioner for the purpose for which the moneys have been received. The money shall not cancel and shall be available until expended.

Sec. 5. **[116J.6581] MINNESOTA SCIENCE AND TECHNOLOGY ECONOMIC DEVELOPMENT PROJECT.**

(a) The commissioner of employment and economic development shall lead a public-private project with science and technology experts from public, academic, and private sectors to advise state agency collaboration to design, coordinate, and administer a strategic science and technology program for the state designed to promote the welfare of the people of the state, maximize the economic growth of the state, and create and retain jobs in the state's industrial base through enhancement of Minnesota's:

(1) high technology research and development capabilities;

(2) product and process innovation and commercialization;

(3) high technology manufacturing capabilities;

(4) science and technology business environment; and

(5) science and technology workforce preparation.

(b) Project membership shall consist of science and technology experts from public, academic, and private sectors. A member must have a background in science or technology in order to serve on the project. The project members shall consist of at least 13 members as follows:

(1) a representative of the University of Minnesota;

(2) a representative of Minnesota State Colleges and Universities;

(3) the chief executive officer of Mayo Clinic or a designee; and

(4) six chief executive officers or designees from science- or technology-oriented companies and four representatives from science- and technology-oriented trade organizations.

132.1 (c) The commissioner of employment and economic development must report
132.2 by January 15, 2010, to the legislative committees having jurisdiction over science
132.3 and technology and economic development policy and finance on the activities of the
132.4 project and must recommend changes or additions to its organization, including specific
132.5 recommendations for necessary legislation.

132.6 Sec. 6. **[116J.997] PROGRAM ACCOUNTABILITY REQUIREMENTS.**

132.7 Subdivision 1. **Accountability measurement.** By October 1, 2009, the
132.8 commissioner of employment and economic development shall develop a uniform
132.9 accountability report for economic development or workforce related programs funded in
132.10 whole or in part by state or federal funds. The commissioner shall also develop a formula
132.11 for measuring the return on investment for each program and a comparison of the return
132.12 on investment of all programs funded in whole or in part by state or federal funds. The
132.13 requirements of this section apply to programs administered directly by the commissioner
132.14 or administered by other employment organizations under a grant made by the department.
132.15 The report and formula required by this subdivision shall be submitted to the chairs and
132.16 ranking minority members of the committees of the house of representatives and senate
132.17 having jurisdiction over economic development and workforce policy and finance by
132.18 October 15, 2009, for review and comment.

132.19 Subd. 2. **Report to the legislature.** By December 31 of each even-numbered
132.20 year the commissioner must report to the chairs and the ranking minority members of
132.21 the committees of the house of representatives and the senate having jurisdiction over
132.22 economic development and workforce policy and finance the following information for
132.23 each program subject to the requirements of subdivision 1:

132.24 (1) the target population;

132.25 (2) the number of jobs affected by the program, including the number of net new
132.26 jobs created in the state and the average annual wage per job;

132.27 (3) the number of individuals leaving the unemployment compensation program as
132.28 a result of the program;

132.29 (4) the number of individuals leaving the Minnesota Family Investment Program
132.30 support as a result of the program;

132.31 (5) the region of the state in which the program operated;

132.32 (6) the amount of state or federal funds allocated to the program; and

132.33 (7) the return on investment as calculated by the formula developed by the
132.34 commissioner.

Subd. 3. **Report to the commissioner.** A recipient of a grant made by or through the department must report to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 2 for each program it administers. The report must be in a format prescribed by the commissioner.

Beginning November 1, 2009, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 4. **Biennial budget request.** The information collected and reported under subdivisions 2 and 3 shall be included in budgets submitted to the legislature under section 16A.11.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2008, section 129D.13, subdivision 1, is amended to read:

Subdivision 1. **Distribution.** The commissioner shall distribute the money provided by sections 129D.11 to 129D.13. ~~Twice~~ Annually the commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The commissioner shall allocate money appropriated for the purposes of sections 129D.11 to 129D.13 in such a manner that each eligible public station receives a block grant. In addition, the commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota-based contributions received by that station in the previous fiscal year. Grants made pursuant to this subdivision may only be given to those federally licensed stations that are certified as eligible for community service grants through the Corporation for Public Broadcasting. Grant funds not expended by a station during the first year of the biennium do not cancel and may be carried over into the second fiscal year.

Sec. 8. Minnesota Statutes 2008, section 129D.13, subdivision 2, is amended to read:

Subd. 2. **Exclusions from contribution amount.** In calculating the amount of contributions received by a public station pursuant to subdivision 1, there shall be excluded: contributions, whether monetary or in kind, from the Corporation for Public Broadcasting; tax generated funds, including payments by public or private elementary and secondary schools; that portion of any foundation or corporation donation in excess of ~~\$500~~ \$2,500 from any one contributor in ~~a calendar~~ the previous station fiscal year;

134.1 contributions from any source if made for the purpose of capital expenditures; and
134.2 contributions from all sources based outside the state.

134.3 Sec. 9. Minnesota Statutes 2008, section 129D.13, subdivision 3, is amended to read:

134.4 Subd. 3. **Report.** Each ~~educational~~ station receiving a grant shall ~~annually~~ report
134.5 ~~by July 1~~ annually by August 1 to the commissioner the purposes for which the money
134.6 was used in the past ~~fiscal~~ year and the anticipated use of the money in the next ~~fiscal~~ year.
134.7 ~~The report shall be certified by an independent auditor or a certified public accountant.~~
134.8 This report shall be submitted along with a new grant request submission. If the report
134.9 is not submitted ~~by September 1~~, the commissioner ~~may withhold from the educational~~
134.10 ~~station 45 percent of the amount to which it was entitled based upon the contribution of~~
134.11 ~~the previous fiscal year, and may redistribute that money to other educational stations.~~

134.12 Sec. 10. Minnesota Statutes 2008, section 129D.14, subdivision 4, is amended to read:

134.13 Subd. 4. **Application.** To be eligible for a grant under this section, a licensee
134.14 shall submit an application to the commissioner ~~within the deadline prescribed by the~~
134.15 ~~commissioner~~ according to state grant policies. Each noncommercial radio station
134.16 receiving a grant shall report annually ~~within the deadline prescribed by~~ August 1 to the
134.17 commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the
134.18 anticipated use of the money for the next ~~fiscal~~ year. This report shall be submitted along
134.19 with a new grant request submission. If the application and report are not submitted within
134.20 the deadline prescribed by the commissioner, the grant may be redistributed to the other
134.21 noncommercial radio stations eligible for a grant under this section.

134.22 Sec. 11. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

134.23 Subd. 5. **State community service block grants.** (a) The commissioner shall
134.24 determine eligibility for block grants and the allocation of block grant money on the basis
134.25 of audited financial records of the station to receive the block grant funds for the station's
134.26 fiscal year preceding the year in which the grant is made, as well as on the basis of the
134.27 other requirements set forth in this section. The commissioner shall annually distribute
134.28 block grants equally to all stations that comply with the eligibility requirements and for
134.29 which a licensee applies for a block grant. Grant funds not expended by a station during
134.30 the first year of the biennium do not cancel and may be carried over into the second fiscal
134.31 year. The commissioner may promulgate rules to implement this section.

134.32 (b) A station may use grant money under this section for any radio station expenses.

Sec. 12. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

Subd. 6. **Audit.** A station that receives a grant under this section shall have an audit of its financial records made by an independent auditor or Corporation for Public Broadcasting accepted audit ~~at the end of~~ for the fiscal year for which it received the grant. ~~The audit shall include a review of station promotion, operation, and management and an analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter of negative assurance from an independent auditor or a certified public accountant.

Sec. 13. Minnesota Statutes 2008, section 129D.155, is amended to read:

129D.155 REPAYMENT OF FUNDS.

State funds distributed to public television or noncommercial radio stations and used to purchase equipment assets must be repaid to the state, without interest, if the assets purchased with these funds are sold within five years or otherwise converted to a person other than a nonprofit or municipal corporation. The amount due to the state shall be the net amount realized from the sale of the assets, but shall not exceed the amount of state funds advanced for the purchase of the asset. ~~Public television and noncommercial radio stations receiving state funds must report biennially to the legislature on the location and usage of assets purchased with state funds.~~

Sec. 14. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

Subdivision 1. **Purpose.** In order to support and create an environment surrounding the University of Minnesota, Minneapolis campus that is conducive to the purposes of higher education and a vital community, the Board of Regents and the city of Minneapolis shall create with the Marcy Holmes, Southeast Como, Prospect Park, and Cedar-Riverside neighborhood and business associations, an appropriate organization so that they cooperate in the development of those neighborhoods. The purpose of the organization is to improve the university's Minneapolis campus area neighborhoods including, but not limited to, the following:

(1) providing and supporting the development of good quality university neighborhood housing, including housing for students, faculty, employees, alumni, and others who may wish to live in the university area neighborhoods;

(2) encouraging and assisting university faculty, staff, students, and others to live in the neighborhood as long-term residents;

(3) supporting and assisting appropriate business development in commercial areas of the neighborhood; and

136.1 (4) cooperating and coordinating planning and development in all matters affecting
136.2 the neighborhood with local government, businesses, residents, and other stakeholders in
136.3 the neighborhood.

136.4 Subd. 2. **Membership.** The organization created by the Board of Regents and
136.5 the city of Minneapolis shall include representatives from the organizations currently
136.6 represented on the University District Alliance Steering Committee.

136.7 Subd. 3. **Report.** The Board of Regents and the city of Minneapolis shall report
136.8 by January 15, 2010, to the chairs and ranking minority members of the legislative
136.9 committees with primary jurisdiction over higher education policy and finance and
136.10 economic development and housing finance on the status and activities of the organization
136.11 that is created.

136.12 Sec. 15. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

136.13 Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

136.14 (a) Three-year license fees:

136.15 (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for
136.16 each renewal;

136.17 (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

136.18 (3) salon, \$130 for each initial license, and \$100 for each renewal; and

136.19 (4) school, \$1,500.

136.20 (b) Penalties:

136.21 (1) reinspection fee, variable; ~~and~~

136.22 (2) manager with lapsed practitioner, \$25;

136.23 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and
136.24 instructor license, \$45; and

136.25 (4) expired salon or school license, \$50.

136.26 (c) Administrative fees:

136.27 (1) certificate of identification, \$20; ~~and~~

136.28 (2) school original application, \$150;

136.29 (3) name change, \$20;

136.30 (4) letter of license verification, \$30;

136.31 (5) duplicate license, \$20; and

136.32 (6) processing fee, \$10.

136.33 (d) All fees established in this subdivision must be paid to the executive secretary
136.34 of the board. The executive secretary of the board shall deposit the fees in the general
136.35 fund in the state treasury.

Sec. 16. Minnesota Statutes 2008, section 160.16, is amended by adding a subdivision to read:

Subd. 4. **Business signs.** A road or transit authority, before entering into a contract for construction, reconstruction, or improvement of a street or highway, shall identify any business that will experience access, parking, or visibility impacts during construction. The road or transit authority shall consult with affected businesses before and during construction to plan signage that will mitigate adverse effects on businesses during project construction.

Sec. 17. **[161.2415] MITIGATION OF TRANSPORTATION CONSTRUCTION IMPACTS ON BUSINESS.**

Subdivision 1. **Definition.** For the purposes of this section, "project" means road work to maintain, construct, or improve a street or highway, or for a transit improvement, if the work is anticipated by the road or transit authority to impair road access to one or more business establishments for a minimum period of one month.

Subd. 2. **Business liaison.** (a) Before the beginning of project construction work, the road or transit authority shall identify businesses that are adjacent to the construction area or whose access to the business premises or parking will be impaired by the project and designate an individual to serve as business liaison between the road or transit authority and the affected businesses.

(b) The business liaison shall provide information to the identified businesses, before and during construction, concerning project duration and timetables, lane and road closures, detours, access impacts, customer parking impacts, visibility, noise, dust, vibration, and public participation opportunities.

Sec. 18. Minnesota Statutes 2008, section 270.97, is amended to read:

270.97 DEPOSIT OF REVENUES.

The commissioner shall deposit all revenues derived from the tax, interest, and penalties received from the county in the contaminated site cleanup and development account in the general fund and is annually appropriated to the commissioner of the Department of Employment and Economic Development, for the purposes of section 116J.551.

Sec. 19. Minnesota Statutes 2008, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. **Surcharge; collection; notice.** (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

- 138.1 (1) accept, at the point of transfer, lead acid batteries from customers;
138.2 (2) charge a fee of ~~\$5~~ \$10 per battery sold unless the customer returns a used battery
138.3 to the retailer; and
138.4 (3) post written notice in accordance with section 325E.1151.
138.5 (b) Any person selling lead acid batteries at wholesale or offering lead acid batteries
138.6 for sale at wholesale must accept, at the point of transfer, lead acid batteries from
138.7 customers.

138.8 Sec. 20. Minnesota Statutes 2008, section 325E.1151, subdivision 1, is amended to
138.9 read:

138.10 Subdivision 1. **Purchasers must return battery or pay ~~\$5~~ \$10.** (a) A person who
138.11 purchases a lead acid battery at retail, except a lead acid battery that is designed to provide
138.12 power for a boat motor that is purchased at the same time as the battery, must:

- 138.13 (1) return a lead acid battery to the retailer; or
138.14 (2) pay the retailer a ~~\$5~~ \$10 surcharge.

138.15 (b) A person who has paid a ~~\$5~~ \$10 surcharge under paragraph (a) must receive a
138.16 ~~\$5~~ \$10 refund from the retailer if the person returns a lead acid battery with a receipt
138.17 for the purchase of a new battery from that retailer within 30 days after purchasing
138.18 a new lead acid battery.

138.19 (c) A retailer may keep the unrefunded surcharges for lead acid batteries not
138.20 returned within 30 days.

138.21 Sec. 21. Minnesota Statutes 2008, section 325E.1151, subdivision 3, is amended to
138.22 read:

138.23 Subd. 3. **Retailers must post notices.** (a) A person who sells lead acid batteries
138.24 at retail must post the notice in paragraph (b) in a manner clearly visible to a consumer
138.25 making purchasing decisions.

138.26 (b) The notice must be at least 8-1/2 inches by 11 inches and contain the universal
138.27 recycling symbol and state:

138.28 "NOTICE: USED BATTERIES

138.29 This retailer is required to accept your used lead acid batteries, EVEN IF YOU DO
138.30 NOT PURCHASE A BATTERY. When you purchase a new battery, you will be charged
138.31 an additional ~~\$5~~ \$10 unless you return a used battery within 30 days.

138.32 It is a crime to put a motor vehicle battery in the garbage."

139.1 Sec. 22. Minnesota Statutes 2008, section 325E.1151, subdivision 4, is amended to
139.2 read:

139.3 Subd. 4. **Notices required in newspaper advertisements.** (a) An advertisement
139.4 for sale of new lead acid batteries at retail in newspapers published in this state must
139.5 contain the notice in paragraph (b).

139.6 (b) The notice must state:

139.7 "~~\$5~~ \$10 additional charge unless a used lead acid battery is returned. Improper
139.8 disposal of a lead acid battery is a crime."

139.9 Sec. 23. **[326B.153] BUILDING PERMIT FEES.**

139.10 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as
139.11 required in section 326B.106 include:

139.12 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a
139.13 municipality; and

139.14 (2) the surcharge required by section 326B.148.

139.15 (b) The total valuation and fee schedule is:

139.16 (1) \$1 to \$500, \$29.50;

139.17 (2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or
139.18 fraction thereof, to and including \$2,000;

139.19 (3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional
139.20 \$1,000 or fraction thereof, to and including \$25,000;

139.21 (4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional
139.22 \$1,000 or fraction thereof, to and including \$50,000;

139.23 (5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional
139.24 \$1,000 or fraction thereof, to and including \$100,000;

139.25 (6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each
139.26 additional \$1,000 or fraction thereof, to and including \$500,000;

139.27 (7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each
139.28 additional \$1,000 or fraction thereof, to and including \$1,000,000; and

139.29 (8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each
139.30 additional \$1,000 or fraction thereof.

139.31 (c) Other inspections and fees are:

139.32 (1) inspections outside of normal business hours (minimum charge two hours),
139.33 \$63.25 per hour;

139.34 (2) reinspection fees, \$63.25 per hour;

(3) inspections for which no fee is specifically indicated (minimum charge one-half hour), \$63.25 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans (minimum charge one-half hour), \$63.25 per hour.

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and related documents submitted as required by section 326B.106 must be paid based on 65 percent of the building permit fee required in subdivision 1.

Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings including public buildings and state licensed facilities as required by section 326B.148.

Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between the state and municipalities contracting for plan review and inspection of public buildings and state licensed facilities.

(b) If plan review and inspection services are provided by the state building official, all fees for those services must be remitted to the state.

(c) If plan review services are provided by the state building official and inspection services are provided by a contracting municipality:

(1) the state shall charge 75 percent of the plan review fee required by the state's fee schedule in subdivision 2; and

(2) the municipality shall charge 25 percent of the plan review fee required by the municipality's adopted fee schedule, for orientation to the plans, in addition to the permit and other customary fees charged by the municipality.

(d) If plan review and inspection services are provided by the contracting municipality, all fees for those services must be remitted to the municipality in accordance with their adopted fee schedule.

Sec. 24. Minnesota Statutes 2008, section 326B.33, subdivision 13, is amended to read:

Subd. 13. **Registration of unlicensed individuals.** Unlicensed individuals performing electrical work for a contractor or employer shall register with the department in the manner prescribed by the commissioner. Experience credit for electrical work performed in Minnesota after January 1, ~~2008~~ 2009, by an applicant for a license identified in this section shall not be granted where the applicant has not registered with or is not licensed by the department.

141.1 Sec. 25. Minnesota Statutes 2008, section 326B.33, subdivision 19, is amended to read:

141.2 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless
141.3 revoked or suspended under this chapter, all licenses issued or renewed under this section
141.4 expire on the date specified in this subdivision. Master licenses expire March 1 of each
141.5 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March
141.6 1 of each even-numbered year after issuance or renewal. Technology system contractor
141.7 licenses expire August 1 of each even-numbered year after issuance or renewal. All
141.8 other personal licenses expire two years from the date of original issuance and every two
141.9 years thereafter. Registrations of unlicensed individuals expire one year from the date of
141.10 original issuance and every year thereafter.

141.11 (b) Fees for application and examination, and for the original issuance and each
141.12 subsequent renewal, are:

141.13 (1) For each personal license application and examination: \$35;

141.14 (2) For original issuance and each subsequent renewal of:

141.15 Class A Master or master special electrician, including master elevator constructor:
141.16 \$40 per year;

141.17 Class B Master: \$25 per year;

141.18 Power Limited Technician: \$15 per year;

141.19 Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman,
141.20 or Maintenance Electrician other than master special electrician: \$15 per year;

141.21 Contractor: \$100 per year;

141.22 Unlicensed individual registration: \$15 per year.

141.23 (c) If any new license is issued in accordance with this subdivision for less than two
141.24 years, the fee for the license shall be prorated on an annual basis.

141.25 (d) A license fee may not be refunded after a license is issued or renewed. However,
141.26 if the fee paid for a license was not prorated in accordance with this subdivision, the
141.27 amount of the overpayment shall be refunded.

141.28 (e) Any contractor who seeks reissuance of a license after it has been revoked or
141.29 suspended under this chapter shall submit a reissuance fee of \$100 before the license is
141.30 reinstated.

141.31 (f) ~~The fee for the issuance of each duplicate license is \$15.~~

141.32 ~~(g)~~ (g) An individual or contractor who fails to renew a license before 30 days after the
141.33 expiration or registration of the license must submit a late fee equal to one year's license
141.34 fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not
141.35 prorated. An individual or contractor that fails to renew a license or registration by the
141.36 expiration date is unlicensed until the license or registration is renewed.

142.1 Sec. 26. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

142.2 Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay
142.3 the department ~~an annual~~ a bond registration fee of \$40 for one year or \$80 for two years.

142.4 (b) The commissioner shall in a manner determined by the commissioner, without
142.5 the need for any rulemaking under chapter 14, phase in the bond registration from one year
142.6 to two years so that the expiration of bond registration corresponds with the expiration of
142.7 the license issued under section 326B.475 or 326B.49, subdivision 1.

142.8 Sec. 27. Minnesota Statutes 2008, section 326B.475, subdivision 4, is amended to read:

142.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and
142.10 restricted journeyman plumber license must be renewed ~~annually~~ for as long as that
142.11 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and
142.12 restricted journeyman plumber license within 12 months after the expiration date will
142.13 result in permanent forfeiture of the restricted master plumber and restricted journeyman
142.14 plumber license.

142.15 (b) The commissioner shall in a manner determined by the commissioner, without
142.16 the need for any rulemaking under chapter 14, phase in the renewal of restricted master
142.17 plumber and restricted journeyman plumber licenses from one year to two years. By
142.18 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses
142.19 shall be two-year licenses.

142.20 Sec. 28. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

142.21 Subd. 7. **Fee.** The ~~annual~~ renewal fee for the restricted master plumber and
142.22 restricted journeyman plumber licenses is the same fee as for a master or journeyman
142.23 plumber license, respectively.

142.24 Sec. 29. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

142.25 Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to
142.26 the commissioner, with fee. Unless the applicant is entitled to a renewal, the applicant
142.27 shall be licensed by the commissioner only after passing a satisfactory examination
142.28 developed and administered by the commissioner, based upon rules adopted by the
142.29 Plumbing Board, showing fitness. Examination fees for both journeyman and master
142.30 plumbers shall be \$50 for each examination. Upon being notified of having successfully
142.31 passed the examination for original license the applicant shall submit an application,
142.32 with the license fee herein provided. The license fee for each initial ~~and renewal~~ master
142.33 plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~

journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe for the expiration and renewal of licenses.~~

(b) All initial master and journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each renewal master plumber's license shall be \$120 for one year or \$240 for two years. The license fee for each renewal journeyman plumber's license shall be \$55 for one year or \$110 for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A journeyman or master plumber who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.

Sec. 30. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

Sec. 31. Minnesota Statutes 2008, section 326B.58, is amended to read:

326B.58 FEES.

(a) Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each initial water conditioning contractor and installer license shall be effective for more than one calendar year and shall expire on December 31 of the year for which it was issued after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be \$70 \$140, except that the license fee shall be \$35 \$105 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water

conditioning contractor's license shall be \$70 for one year or \$140 for two years. The license fee for each initial water conditioning installer license shall be ~~\$35~~ \$70, except that the license fee shall be ~~\$17.50~~ \$52.50 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning installer license shall be \$35 for one year or \$70 for two years.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning contractor and installer licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor and installer licenses shall be two-year licenses. The commissioner may by rule prescribe for the expiration and renewal of licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A water conditioning contractor or water conditioning installer who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.

Sec. 32. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100 per year~~ \$200 for a two-year period. The licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made. The license fee for each renewal of a residential contractor, residential remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 33. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion of ~~seven~~ 14 hours of continuing education per ~~year~~ two-year licensure period in the regulated industry in which the licensee is licensed.

145.1 Credit may not be earned if the licensee has previously obtained credit for the same
145.2 course as either a student or instructor during the same licensing period.

145.3 Sec. 34. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

145.4 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed
145.5 residential roofers must post a surety bond in the name of the licensee with the
145.6 commissioner, conditioned that the applicant shall faithfully perform the duties and
145.7 in all things comply with all laws, ordinances, and rules pertaining to the license or
145.8 permit applied for and all contracts entered into. The ~~annual~~ bond must be continuous
145.9 and maintained for so long as the licensee remains licensed. The aggregate liability of
145.10 the surety on the bond to any and all persons, regardless of the number of claims made
145.11 against the bond, may not exceed the amount of the bond. The bond may be canceled as
145.12 to future liability by the surety upon 30 days' written notice mailed to the commissioner
145.13 by regular mail.

145.14 (b) A licensed residential roofer must post a bond of at least \$15,000.

145.15 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

145.16 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts
145.17 for purposes of sections 8.05 and 16C.05, subdivision 2.

145.18 Sec. 35. **[326B.881] REGISTRATION OF UNLICENSED PERSONS.**

145.19 Subdivision 1. **Registration required.** (a) An unlicensed contractor or subcontractor
145.20 who performs public or private sector commercial or residential building construction or
145.21 improvement services must register with the commissioner every two years. A licensed
145.22 contractor or subcontractor includes a plumbing contractor who has in their employ
145.23 a licensed master plumber or restricted master plumber under section 326B.42 or a
145.24 mechanical contractor as defined under section 326B.802. The registration must be
145.25 submitted on a form and in a manner prescribed by the commissioner and must include
145.26 the information specified in paragraph (b). For purposes of this section, "contractor"
145.27 or "subcontractor" means a limited liability company, corporation, partnership, or sole
145.28 proprietorship.

145.29 (b) The information collected upon registration must include:

145.30 (1) the legal name under which the contractor or subcontractor intends to offer
145.31 services;

145.32 (2) the address at which the contractor or subcontractor is physically located;

145.33 (3) the business telephone number and e-mail address;

145.34 (4) the services provided by the contractor or subcontractor;

(5) a federal employer identification number or social security number;

(6) the approximate number of employees; and

(7) a certificate of insurance showing workers' compensation coverage if applicable.

Subd. 2. **Exclusions.** For purposes of this section, building construction and improvement services do not include the manufacture, supply, or sale of products, materials, or merchandise.

Subd. 3. **Application of requirements.** The registration requirements under this section do not apply to persons with a valid independent contractor exemption certificate under section 181.723.

Subd. 4. **Fees.** A \$100 registration fee shall be paid to the commissioner upon registration for deposit into the construction code fund under section 326B.04.

Subd. 5. **Prohibited activities.** A person violating the requirements of this section shall not perform public or private sector commercial or residential building construction or improvement services in this state. Proof of registration must be maintained for at least two years from the date of registration. Proof of registration must be provided by a person before entering into a contract for public or private sector commercial or residential building construction or improvement services on or after the effective date of this section. Violations of this subdivision are subject to a \$500 fine payable to the commissioner for deposit into the assigned risk safety account under chapter 79.

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 36. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

Subd. 2. ~~**Annual Renewal period.** Any license issued or renewed after August 1, 1993, must be renewed annually except for~~ (a) **A residential contractor, residential remodeler, and residential roofer license shall have a renewal period of two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.**

(b) ~~A manufactured home installer's license which~~ shall have a renewal period of three years, effective for all renewals and new licenses issued after December 31, 2008.

Sec. 37. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The

person shall pay, in addition to the appropriate application or renewal fee, the following additional fee that shall be deposited in the fund. The amount of the fee shall be based on the person's gross annual receipts for the person's most recent fiscal year preceding the application or renewal, on the following scale:

Fee	Gross Annual Receipts
\$160 <u>\$320</u>	under \$1,000,000
\$210 <u>\$420</u>	\$1,000,000 to \$5,000,000
\$260 <u>\$520</u>	over \$5,000,000

Sec. 38. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

Subd. 16. **Additional assessment.** If the balance in the fund is at any time less than the commissioner determines is necessary to carry out the purposes of this section, every licensee, when renewing a license, shall pay, in addition to the annual renewal fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The commissioner shall set the amount of assessment based on a reasonable determination of the amount that is necessary to restore a balance in the fund adequate to carry out the purposes of this section.

Sec. 39. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** The commissioner shall develop and administer an examination for all masters of boats carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found qualified and competent to perform their duties as a master of a boat carrying passengers for hire, they shall be issued a license authorizing them to act as such on the inland waters of the state. ~~The license shall be renewed annually.~~ All initial master's licenses shall be for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master's licenses from one year to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section 326B.986, subdivision 2.

Sec. 40. Minnesota Statutes 2008, section 326B.972, is amended to read:

326B.972 LICENSE REQUIREMENT.

(a) To operate a boiler, steam engine, or turbine an individual must have received a license for the grade covering that boiler, steam engine, or turbine. ~~The license must be~~

148.1 ~~renewed annually, except as provided~~ Except for licenses described in section 326B.956
148.2 and except for provisional licenses described in paragraphs (d) to (g);

148.3 (1) all initial licenses shall be for two years;

148.4 (2) the commissioner shall in a manner determined by the commissioner, without
148.5 the need for any rulemaking under chapter 14, phase in the renewal of licenses from
148.6 one year to two years; and

148.7 (3) by June 30, 2011, all licenses shall be two-year licenses.

148.8 (b) For purposes of sections 326B.952 to 326B.998, "operation" does not include
148.9 monitoring of an automatic boiler, either through on premises inspection of the boiler or
148.10 by remote electronic surveillance, provided that no operations are performed upon the
148.11 boiler other than emergency shut down in alarm situations.

148.12 (c) No individual under the influence of illegal drugs or alcohol may operate a boiler,
148.13 steam engine, or turbine or monitor an automatic boiler.

148.14 (d) The commissioner may issue a provisional license to allow an employee of a
148.15 high pressure boiler plant to operate boilers greater than 500 horsepower at only that
148.16 boiler plant if:

148.17 (1) the boiler plant has a designated chief engineer in accordance with Minnesota
148.18 Rules, part 5225.0410;

148.19 (2) the boiler plant employee holds a valid license as a second-class engineer,
148.20 Grade A or B;

148.21 (3) the chief engineer in charge of the boiler plant submits an application to the
148.22 commissioner on a form prescribed by the commissioner to elicit information on whether
148.23 the requirements of this paragraph have been met;

148.24 (4) the chief engineer in charge of the boiler plant and an authorized representative
148.25 of the owner of the boiler plant both sign the application for the provisional license;

148.26 (5) the owner of the boiler plant has a documented training program with examination
148.27 for boilers and equipment at the boiler plant to train and test the boiler plant employee; and

148.28 (6) if the application were to be granted, the total number of provisional licenses
148.29 for employees of the boiler plant would not exceed the total number of properly licensed
148.30 first-class engineers and chief engineers responsible for the safe operation of the boilers
148.31 at the boiler plant.

148.32 (e) A public utility, cooperative electric association, generation and transmission
148.33 cooperative electric association, municipal power agency, or municipal electric utility
148.34 that employs licensed boiler operators who are subject to an existing labor contract may
148.35 use a provisional licensee as an operator only if using the provisional licensee does not
148.36 violate the labor contract.

149.1 (f) Each provisional license expires 36 months after the date of issuance unless
149.2 revoked less than 36 months after the date of issuance. A provisional license may not be
149.3 renewed.

149.4 (g) The commissioner may issue no more than two provisional licenses to any
149.5 individual within a four-year period.

149.6 Sec. 41. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

149.7 Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial
149.8 master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current
149.9 United States Coast Guard master's license. ~~The annual renewal of fee for a master's~~
149.10 ~~license is \$20 for one year or \$40 for two years. The annual renewal~~ If the renewal fee is
149.11 paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid
149.12 license is \$20, then a late fee of \$15 will be added to the renewal fee.

149.13 Sec. 42. Minnesota Statutes 2008, section 326B.986, subdivision 5, is amended to read:

149.14 Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the
149.15 nonrefundable license and application fee is:

- 149.16 (1) chief engineer's license, ~~\$50~~ \$70;
- 149.17 (2) first class engineer's license, ~~\$50~~ \$70;
- 149.18 (3) second class engineer's license, ~~\$50~~ \$70;
- 149.19 (4) special engineer's license, ~~\$20~~ \$40;
- 149.20 (5) traction or hobby boiler engineer's license, \$50; and
- 149.21 (6) provisional license, \$50.

149.22 (b) An engineer's license, except a provisional license, may be renewed upon
149.23 application and payment of ~~an annual~~ a renewal fee of \$20 for one year or \$40 for two
149.24 years. The annual renewal, If the renewal fee is paid later than 30 days after expiration,
149.25 is \$35. The fee for replacement of a current, valid license is \$20 then a late fee of \$15
149.26 will be added to the renewal fee.

149.27 Sec. 43. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

149.28 Subd. 8. **Certificate of competency.** The fee for issuance of the original state
149.29 of Minnesota certificate of competency for inspectors is ~~\$50. This fee is waived~~ \$85
149.30 for inspectors who did not pay the examination fee or \$35 for inspectors who paid
149.31 the examination fee. All initial certificates of competency shall be effective for more
149.32 than one calendar year and shall expire on December 31 of the year after the year in
149.33 which the application is made. The commissioner shall in a manner determined by the

150.1 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal
150.2 of certificates of competency from one calendar year to two calendar years. By June 30,
150.3 2011, all renewed certificates of competency shall be valid for two calendar years. The fee
150.4 for an annual renewal of the state of Minnesota certificate of competency is \$35 for one
150.5 year or \$70 for two years, and is due January 1 of each year. The fee for replacement of a
150.6 current, valid license is \$35 the day after the certificate expires.

150.7 Sec. 44. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

150.8 Subd. 7. **Fees; Licenses; when granted.** Each application for a license or license
150.9 renewal must be accompanied by a fee in an amount established by ~~the commissioner by~~
150.10 ~~rule pursuant to section 327B.10 subdivision 7a.~~ The fees shall be set in an amount which
150.11 over the fiscal biennium will produce revenues approximately equal to the expenses which
150.12 the commissioner expects to incur during that fiscal biennium while administering and
150.13 enforcing sections 327B.01 to 327B.12. The commissioner shall grant or deny a license
150.14 application or a renewal application within 60 days of its filing. If the license is granted,
150.15 the commissioner shall license the applicant as a dealer or manufacturer for the remainder
150.16 of the ~~calendar year~~ licensure period. Upon application by the licensee, the commissioner
150.17 shall renew the license for a two year period, if:

150.18 ~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;

150.19 ~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports
150.20 required by the commissioner during the preceding ~~year~~ licensure period; and

150.21 ~~(c)~~ (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to
150.22 327B.12 and all taxes, arrearages, and penalties owed to the state.

150.23 Sec. 45. Minnesota Statutes 2008, section 327B.04, is amended by adding a
150.24 subdivision to read:

150.25 Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section are as follows:

150.26 (1) initial dealer license for principal location, \$400. Fee is not refundable;

150.27 (2) initial dealer license for subagency location, \$80;

150.28 (3) dealer license biennial renewal, principal location, \$400; dealer subagency
150.29 location biennial renewal, \$160. Subagency license renewal must coincide with the
150.30 principal license date;

150.31 (4) initial limited dealer license, \$200;

150.32 (5) change of bonding company, \$10;

150.33 (6) reinstatement of bond after cancellation notice has been received, \$10;

150.34 (7) checks returned without payment, \$15; and

151.1 (8) change of address, \$10.

151.2 (b) All initial limited dealer licenses shall be effective for more than one calendar
151.3 year and shall expire on December 31 of the year after the year in which the application
151.4 is made.

151.5 (c) The license fee for each renewed limited dealer license shall be \$100 for one
151.6 year and \$200 for two years. The commissioner shall in a manner determined by the
151.7 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal
151.8 of limited dealer licenses from one year to two years. By June 30, 2011, all renewed
151.9 limited dealer licenses shall be two-year licenses.

151.10 (d) All fees are not refundable.

151.11 Sec. 46. Minnesota Statutes 2008, section 327B.04, subdivision 8, is amended to read:

151.12 Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's
151.13 license to an owner of a manufactured home park authorizing the licensee as principal
151.14 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used
151.15 manufactured homes located in the owned manufactured home park. The licensee must
151.16 be the title holder of the homes and may engage in no more than ten sales ~~annually~~
151.17 during each year of the two-year licensure period. An owner may, upon payment of the
151.18 applicable fee and compliance with this subdivision, obtain a separate license for each
151.19 owned manufactured home park and is entitled to sell up to ~~ten~~ 20 homes per license
151.20 period provided that only one limited dealer license may be issued for each park. The
151.21 license shall be issued after:

151.22 (1) receipt of an application on forms provided by the commissioner containing
151.23 the following information:

151.24 (i) the identity of the applicant;

151.25 (ii) the name under which the applicant will be licensed and do business in this state;

151.26 (iii) the name and address of the owned manufactured home park, including a copy
151.27 of the park license, serving as the basis for the issuance of the license;

151.28 (iv) the name, home, and business address of the applicant;

151.29 (v) the name, address, and telephone number of one individual that is designated
151.30 by the applicant to receive all communications and cooperate with all inspections and
151.31 investigations of the commissioner pertaining to the sale of manufactured homes in the
151.32 manufactured home park owned by the applicant;

151.33 (vi) whether the applicant or its designated individual has been convicted of a crime
151.34 within the previous ten years that is either related directly to the business for which the
151.35 license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a

152.1 judgment in a civil action involving fraud, misrepresentation, or conversion within the
152.2 previous five years or has had any government license or permit suspended or revoked
152.3 as a result of an action brought by a federal or state governmental agency in this or any
152.4 other state within the last five years; and

152.5 (vii) the applicant's qualifications and business history, including whether the
152.6 applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has
152.7 any unsatisfied court judgments outstanding against it or them;

152.8 (2) payment of ~~a \$100 annual~~ the license fee established by subdivision 7a; and

152.9 (3) provision of a surety bond in the amount of \$5,000. A separate surety bond
152.10 must be provided for each limited license.

152.11 The applicant need not comply with section 327B.04, subdivision 4, paragraph (e).

152.12 The holding of a limited dealer's license does not satisfy the requirement contained in
152.13 section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect
152.14 to obtaining a dealer license. The commissioner may, upon application for a renewal of
152.15 a license, require only a verification that copies of sales documents have been retained
152.16 and payment of ~~a \$100~~ the renewal fee established by subdivision 7a. "Sales documents"
152.17 mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a,
152.18 title of the home, financing agreements, and purchase agreements.

152.19 The license holder shall, upon request of the commissioner, make available for
152.20 inspection during business hours sales documents required to be retained under this
152.21 subdivision.

152.22 Sec. 47. Minnesota Statutes 2008, section 327C.03, is amended by adding a
152.23 subdivision to read:

152.24 **Subd. 6. Payment to the Minnesota manufactured home relocation trust fund.**
152.25 In the event a park owner is assessed under section 327C.095, subdivision 12, paragraph
152.26 (c), the park owner may collect the \$12 annual payment required under section 327C.095,
152.27 subdivision 12, for participation in the relocation trust fund, as a lump sum or, along with
152.28 monthly lot rent, a fee of no more than \$1 per month to cover the cost of participating
152.29 in the relocation trust fund. The \$1 fee must be separately itemized and clearly labeled
152.30 "Minnesota manufactured home relocation trust fund."

152.31 Sec. 48. Minnesota Statutes 2008, section 327C.095, subdivision 12, is amended to
152.32 read:

152.33 **Subd. 12. Payment to the Minnesota manufactured home relocation trust fund.**

152.34 (a) If a manufactured home owner is required to move due to the conversion of all or a

portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of finance for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes, ~~or has failed to pay the annual \$12 payments to the Minnesota manufactured home relocation trust fund when due;~~

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home

is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

~~(c) Owners of manufactured homes who rent lots in a manufactured home park shall make annual payments to the park owner, to be deposited in the Minnesota manufactured home relocation trust fund under section 462A.35, in the amount of \$12 per year, per manufactured home, payable on August 15 of each year. On or before July 15 of each year, the commissioner of finance shall prepare and post on the department's Web site a generic invoice and cover letter explaining the purpose of the Minnesota manufactured home relocation trust fund, the obligation of each manufactured home owner to make an annual \$12 payment into the fund, the due date, and the need to pay to the park owner for collection, and a warning, in 14-point font, that if the annual payments are not made when due, the manufactured home owner will not be eligible for compensation from the fund if the manufactured home park closes. The park owner shall receive, record, and commingle the payments and forward the payments to the commissioner of finance by September 15 of each year, with a summary by the park owner, certifying the name, address, and payment amount of each remitter, and noting the names and address of manufactured home owners who did not pay the \$12 annual payment, sent to both the commissioner of finance and the commissioner of the Minnesota Housing Finance Agency. The commissioner of finance shall deposit the payments in the Minnesota manufactured home relocation trust fund. The commissioner of finance shall annually assess each manufactured home park owner by mail the total amount of \$12 for each licensed lot in their park, payable on or before September 15 of each year. The commissioner of finance shall deposit the payments in the Minnesota manufactured home relocation trust fund. On or before July 15 of each year, the commissioner of finance shall prepare and distribute to park owners a letter explaining the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. The park owner may recoup the cost of the assessment with a monthly fee of no more than \$1 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 1. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the assessment, accordingly.~~

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court shall award a prevailing party reasonable attorney fees, court costs, and disbursements.

155.1 Sec. 49. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002,
155.2 chapter 220, article 10, section 35, subdivision 6, is amended to read:

155.3 Subd. 6. **St. Paul RiverCentre Arena** 65,000,000

155.4 This appropriation is from the general fund
155.5 to the commissioner of finance for a loan to
155.6 the city of St. Paul to demolish the existing
155.7 St. Paul RiverCentre Arena and to design,
155.8 construct, furnish, and equip a new arena.

155.9 This appropriation is not available until the
155.10 lessee to whom the city has leased the arena
155.11 has agreed to make rental or other payments
155.12 to the city under the terms set forth in this
155.13 subdivision. The loan is repayable solely
155.14 from and secured by the payments made
155.15 to the city by the lessee. The loan is not a
155.16 public debt and the full faith, credit, and
155.17 taxing powers of the city are not pledged for
155.18 its repayment.

155.19 (a) ~~\$48,000,000~~ \$15,250,000 of the loan
155.20 must be repaid to the commissioner, without
155.21 interest, within ~~20~~ 12 years from the date
155.22 of substantial completion of the arena in
155.23 accordance with the following schedule:

155.24 (1) no repayments are due in the first two
155.25 years from the date of substantial completion;

155.26 (2) in each of the years three to five, the
155.27 lessee must pay \$1,250,000;

155.28 (3) in each of the years six to ten, the lessee
155.29 must pay \$1,500,000; and

155.30 (4) in each of the years 11 ~~to~~ and 12, the
155.31 lessee must pay \$2,000,000; and

155.32 ~~(5) in year 14, the lessee must pay~~
155.33 ~~\$3,000,000;~~

156.1 ~~(6) in year 15, the lessee must pay~~

156.2 ~~\$4,000,000, and~~

156.3 ~~(7) in each of the years 16 to 20, the lessee~~

156.4 ~~must pay \$4,750,000.~~

156.5 (b) The commissioner must deposit the

156.6 repayments in the state treasury and credit

156.7 them to the general fund.

156.8 (c) The loan may not be made until the

156.9 commissioner has entered into an agreement

156.10 with the city of St. Paul identifying the rental

156.11 or other payments that will be made and

156.12 establishing the dates on and the amounts

156.13 in which the payments will be made to the

156.14 city and by the city to the commissioner. The

156.15 payments may include operating revenues

156.16 and additional payments to be made by the

156.17 lessee under agreements to be negotiated

156.18 between the commissioner, the city, and the

156.19 lessee. Those agreements may include, but

156.20 are not limited to, an agreement whereby the

156.21 lessee pledges to provide each year a letter

156.22 of credit sufficient to guarantee the payment

156.23 of the amount due for the next succeeding

156.24 year; an agreement whereby the lessee

156.25 agrees to maintain a net worth, certified each

156.26 year by a financial institution or accounting

156.27 firm satisfactory to the commissioner, that

156.28 is greater than the balance due under the

156.29 payment schedule in paragraph (a); and any

156.30 other agreements the commissioner may

156.31 deem necessary to ensure that the payments

156.32 are made as scheduled.

156.33 (d) The agreements must provide that the

156.34 failure of the lessee to make a payment due

156.35 to the city under the agreement is an event

157.1 of default under the lease between the city
157.2 and the lessee and that the state is entitled to
157.3 enforce the remedies of the lessor under the
157.4 lease in the event of default. Those remedies
157.5 must include, but need not be limited to, the
157.6 obligation of the lessee to pay the balance due
157.7 for the remainder of the payment schedule
157.8 in the event the lessee ceases to operate a
157.9 National Hockey League team in the arena.

157.10 (e) By January 1, 1999, the commissioner
157.11 shall report to the chair of the senate
157.12 committee on state government finance
157.13 and the chair of the house committee on
157.14 ways and means the terms of an agreement
157.15 between the lessee and the amateur sports
157.16 commission whereby the lessee agrees to
157.17 make the facilities of the arena available to
157.18 the commission on terms satisfactory to the
157.19 commission for amateur sports activities
157.20 consistent with the purposes of Minnesota
157.21 Statutes, chapter 240A, each year during the
157.22 time the loan is outstanding. The amateur
157.23 sports commission must negotiate in good
157.24 faith and may be required to pay no more
157.25 than actual out-of-pocket expenses for the
157.26 time it uses the arena. The agreement may
157.27 not become effective before February 1,
157.28 1999. During any calendar year after 1999
157.29 that an agreement under this paragraph is
157.30 not in effect and a payment is due under
157.31 the schedule, the lessee must pay to the
157.32 commissioner a penalty of \$750,000 for that
157.33 year. If the amateur sports commission has
157.34 not negotiated in good faith, no penalty is
157.35 due.

Sec. 50. **CONSTRUCTION MITIGATION PILOT PROGRAM.**

Subdivision 1. Purpose. The purpose of the construction mitigation grant program is to mitigate the impacts of transportation construction on local small businesses, to promote the retention of jobs in transportation construction areas, and to provide outreach to the public and small businesses to minimize interruption to local commerce. The Department of Transportation, Department of Employment and Economic Development, and local government units shall work together to ensure that the recommendations of the Department of Transportation's 2009 report to the legislature on transportation construction impacts and any statutory changes resulting from the report recommendations are applied when implementing the grant program.

Subd. 2. Establishment. The commissioner of employment and economic development shall develop and implement a construction mitigation grant program to make grants available to local government units to mitigate the impacts of transportation construction on local small businesses.

Subd. 3. Definitions. For purposes of this section:

(1) "applicant" means a local government unit;

(2) "commissioner" means the commissioner of the Department of Employment and Economic Development;

(3) "eligible transportation project entirely or partially funded by state or federal funds" means a project that will affect one or more small businesses as a result of transportation work because the work is anticipated to impair road access for a minimum period of one month;

(4) "local government unit" means a county, statutory or home rule charter city, town, special district, or other political subdivision;

(5) "project" has the meaning given it in Minnesota Statutes, section 161.2415; and

(6) "small business" means a business that employs ten or fewer employees and is located in an area that is adjacent to an eligible project.

Subd. 4. Applications. A grant applicant shall prepare and submit to the commissioner a written proposal detailing a construction mitigation plan and strategies on how the applicant will implement the plan to meet the purpose of the grant program as provided in subdivision 1. An applicant shall identify any nonstate funding sources available to match state funds distributed under subdivision 5.

Subd. 5. Fund distribution. In distributing funds, the commissioner shall consider the types of businesses affected by the eligible transportation project and shall balance funding between eligible transportation projects within the seven-county metropolitan area and eligible transportation projects outside of the seven-county metropolitan area.

159.1 Subd. 6. **Expiration.** This section expires on July 1, 2011.

159.2 **EFFECTIVE DATE.** This section is effective the day following final enactment.

159.3 Sec. 51. **REPEALER.**

159.4 (a) Minnesota Statutes 2008, sections 129D.13, subdivision 4; and 176.135,
159.5 subdivision 1b, are repealed.

159.6 (b) Minnesota Rules, part 1350.8300, is repealed.

APPENDIX
Article locations in s2081-2

ARTICLE 1	ECONOMIC DEVELOPMENT AND HOUSING	Page.Ln 2.9
ARTICLE 2	EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY	Page.Ln 22.1
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ARTICLE 3	CHANGES	Page.Ln 24.32
ARTICLE 4	UNEMPLOYMENT INSURANCE POLICY	Page.Ln 43.14
ARTICLE 5	UNEMPLOYMENT INSURANCE TECHNICAL CHANGES	Page.Ln 53.27
ARTICLE 6	IRON RANGE RESOURCES	Page.Ln 85.1
ARTICLE 7	DEBT MANAGEMENT SERVICES	Page.Ln 103.19
ARTICLE 8	MISCELLANEOUS PROVISIONS	Page.Ln 128.6